

Robert Fisk  
wins top award



20-page guide to the  
National Music Festival

Inside Section 2

مكتبة من الأصل

The letters of  
Sara Thornton

Part two of our exclusive serialisation, in Section Two

Page 2

# THE INDEPENDENT

3,004

TUESDAY 4 JUNE 1996

WEATHER Mainly dry with sunny spells 40p (IR 45p)

## 'We need a global ethic'

says the Irish woman tipped to head the UN

Interview by  
Jack O'Sullivan

Mary Robinson, who arrives in London today for the first official visit to Britain by a Irish President, has been denied the chance of speaking to the Joint Houses of Parliament. She will not be granted her wish to follow Jacques Chirac, the President of France, who addressed both houses last month.

Officials deny any stub. But it seems that the Government feared allowing the Irish head of state to address MPs during delicate negotiations for next week's all-party talks on Northern Ireland's future.

The decision comes as Mrs Robinson is poised to become one of the world's most influential leaders. She is widely tipped to unseat Boutros Boutros-Ghali and take over as United Nations' Secretary-General in January. He has become increasingly unpopular for being too aloof, antagonising the Americans and failing to overhaul the UN bureaucracy.

Sir Anthony Parsons, Britain's former Permanent Representative to the UN, confirmed Mrs Robinson is a strong runner for the job. "The Irish have the advantage that none of the permanent members of the Security Council would probably veto their candidate."

Ireland is well respected. It has contributed to UN peace-keeping since 1956. It's neutral and has a close affinity to the non-aligned movement. There is a lot of stroppiness in the UN about the lack of women representatives in the UN secretariate; appointing a woman would deal with that criticism.

"Mary Robinson is popular and has shown sound judgement, having helped bridge the gap in Northern Ireland, by going to Belfast and shaking hands with Gerry Adams while remaining on good terms with the Unionists. Politics in the Republic is a rough and tumble affair. But she has squared a lot of circles, rising above the all-male, Fisher's bar style of Irish politics. She has demonstrated independence while avoiding severe criticism. And being Irish is certainly a leg-up in the US."

On the eve of her trip the Irish President was guarded in an interview with the *Independent*, acknowledging that there had been informal approaches about the UN post. "I am not a candidate or seeking the position. I have made clear that my focus is on completing my term as president," she said. But she

**'I have a strong commitment to human rights... if it went to the wire about this position, I would have to weigh all the options'**

Contest year after year, that an Irish candidate would be similarly successful.

If appointed, Mrs Robinson would be the first woman to hold one of the most important posts in world leadership, at a time of demand for figures who can strike a chord internationally. Many believe her abilities as a moralist place her in the same league as Nelson Mandela and the Czech Republic's Vaclav Havel.

This week's visit - including lunch with John Major tomorrow and the Queen on Thursday - will highlight her diplomatic skills. Her predecessors had never visited Britain. George V was the last British monarch to take the boat the other way, travelling in 1913 to a troublesome corner of his then kingdom, soon to be plunged into the 1916 Easter Rising, civil war and separation from Britain.

Mrs Robinson has built bridges. Her revisionist story of modern Ireland eschews old bitterness. Irishness is presented as proudly European, standing for diversity, pluralism and internationalism - all values which this radical, liberal, left-

wing, feminist holds dearest. It fits longstanding efforts of the President, a Catholic married to a Protestant, to reach out to Ulster's Unionist community. She resigned from the Irish Labour party in 1985, saying the Anglo-Irish Agreement was unfair to Unionists.

Two historical events - emigration and the 1840's Great Potato Famine - once sources of bitterness, inform her revised national story. "Emigration," she said, "is no longer something with a finality that is sad. The experience helps us see Irishness as not simply territorial. It opens us to those in Northern Ireland, whose sense of identity is more British than Irish." As for the famine: "It leads us to a strong identification with poverty, human rights and self-development."

All this goes down well with those, particularly Third World countries, who want her as Secretary-General. Asked what role that post should involve, she said: "There is a seeking for a global ethic. In a world that seems to have lost all spiritual cohesiveness, many people feel we need an ethical basis that values religions, that values a secular tradition and is thoughtful about others."

She touched on another vital issue for the UN - civil war, the crucial form of conflict in an age when global war grows less likely and inter-state war is going out of fashion. "We haven't properly addressed the emerging democracies. It is as though we think that because they have opted for democracy, they have solved the problem," she said.

In the coming months, Mrs Robinson has a chance to demonstrate her peace-making powers. As the beef war rages, the Republic, with its close affinity to Britain and enthusiasm for Europe, could play an important role. It takes over the rotating presidency of the EU later this month.

"We will seek to be a bridge, to be helpful, to minimise the difficult issues," said Mrs Robinson. "We would do this both for philosophical and also for bread and butter reasons. It would be good for Ireland if Britain were to have a more positive aspect and be contributing more and contributing more to what is happening at the European level."

The world will be watching, even if the Houses of Parliament are not. **European crisis, page 8,9**



Diplomatic: Mary Robinson said of Ireland's coming EU presidency: 'We will seek to be a bridge, to be helpful, to minimise the difficult issues'

Photograph: Maxwell

### QUICKLY

#### Players face high price for high-jinks

Fines will be imposed on England players for the alleged high-jinks on the flight home from Hong Kong, national coach Terry Venables announced last night. But he will not publicly pillory any one individual. "The England squad has accepted collective responsibility for what has happened. The matter is now being dealt with internally," he said. He said three players were "very angry" that they had taken the blame publicly for the alleged £5,000 damage to the Cathay Pacific flight. **Page 24**

#### Plastic revolution

Tesco increased the stakes in the supermarket loyalty battle yesterday when it announced plans for a new budget account card that will offer far better interest rates than traditional banks and building societies. **Page 3**

#### Food for thought

Scientists have coined a new phrase to describe the consumption of foods which are partially to blame for the epidemic of obesity in the West - passive over-eating. **Page 4**

## What's in a gnome? About £1m

DAVID LISTER,  
Arts News Editor

This was just a garden gnome... until its owner discovered art history.

Covered in white paint and moss, the 4ft high marble statue of Cupid stood at the bottom of a West Country garden for years. It has now been identified as by Canova, the neoclassical sculptor responsible for the *Three Graces* and experts said yesterday that it should fetch more than £1m at auction.

If you cannot find your fortune in the garden, try the cellar. As we reveal on page 5 today, an Oxford student opened the basement of a college house to find a mouldering collection of some of the finest names in post-war art. That is also worth £1m.

Still no luck? Maybe the sitting room. Last week a piece of paper was pulled out from under a sofa in a Suffolk house. It contained odes for a speech by a man named Washington; first name George. It is expected to fetch £150,000 at auction.

Spring-cleaning has never been so lucrative. What is going on? Is no corner of house or garden free from art treasures?

Psychologically, the urge to ferret in the attic or under garden bushes is a seasonal one, and householders tend to go on heat whenever a series of *The Antiques Roadshow* is on television, as it is at the moment.

But David Barrie, director of the National Art Collections Fund, believes that there are practical reasons too. "The art market is beginning to pick up after the slump of the Eighties," he said, "and people may well have been sitting on treasures [literally in the case of the Washington manuscript] which they are now putting on the market."

The National Lottery has put art more into the news, and museums and galleries are buying more works of art, so people might be looking harder. And there is an enormous amount of art out there in private hands which changes in fashion can make valuable. Posters are now much sought after."

So best check the walls, too.



Before: Cupid in the guise of a 4ft high garden gnome



And after: Revealed in its glory as Canova's statue

### CONTENTS

#### Section 1

BUSINESS & CITY	16-20
COMMENT	13-15
ESSAY	14
GAZETTE	12
LEADING ARTICLES	13
LETTERS	13
OBITUARIES	14
SPORT	21-24

#### Section 2

ARTS	9-11
CHESS	23
CROSSWORD	26
FASHION	12-13
HEALTH	6-8
LISTINGS	24-25
TV & RADIO	27,28
WEATHER	25



XERYUS ROUGE  
POUR HOMME



GIVENCHY

fit of Whitehall's latest piece of beef war technology. This is a 121-page study of eradication measures for BSE, intended to stun even the most dogged Continental bureaucrats into an early surrender.

And today, military censors allow us to reveal, Michael Howard, the Home Secretary, will engage the enemy at a meeting of justice ministers, also in Luxembourg. He will take on proposals to combat the illegal employment of immigrants and to improve anti-terror tactics. He will also block the 1997 drugs budget of the Europol police agency. The War Office in London expects a famous victory.

Further engagements are confidently expected. The Foreign Secretary, Malcolm Rifkind, and Mr Hogg will be striking at the heart of enemy territory today visiting Chancellor Helmut Kohl in Berlin this morning and Jacques Santer, President of the Commission, in Brussels, this afternoon. War Office sources describe these moves as a "charming offensive". How long will the war continue? Our staff tell us that heavy political casualties may result at Florence, Italy, later this month if no breakthrough has occurred. Parliamentary sources report that the Prime Minister and Mrs Major are in good heart. God Save the Queen.

Apart from a phrasebook listing numerous ways to say "no", our boys have the belligerent answer come back: "Nuts!"

Anti-fraud laws, the fight against racism and the elections in Bosnia have had little in common until yesterday. But one-on-one ministers moved into the front line and stopped all these advances in their tracks. Correspondents in the field report that the British Euro-sceptic Expeditionary Force is hitting back in strength.

Apart from a phrasebook listing numerous ways to say "no", our boys have the belligerent answer come back: "Nuts!"

## news

### 'Independent' reporters win media praise

Robert Fisk (right), The Independent's Middle East Correspondent, was last night declared the winner of the Foreign Press Association's 1996 British Media Awards for his reporting on Algeria.

The award was given for "the best foreign story written in the British press by a UK journalist based overseas".

It was Robert's third award this year. His reporting has now earned him 14 awards, includ-

ing British International Journalist of the Year seven times, the "What the Papers Say" award twice, the United Nations Press Award, the Johns Hopkins-SAS-CIBA Prize for International Journalism, the Irish

Radio Jacobs Award and the James Cameron Award.

The Independent's Robert Block was commended for his reporting on Bosnia, and Sarah Heim was commended for her reporting on Croatia.



### SIGNIFICANT SHORTS

**O**ne in four negligence claims settled against GPs are due to errors in prescribing, monitoring or administering drugs, according to a survey. Just under half of the cases lead to permanent damage to patients, including scarring, nerve damage, or stroke. Eighteen per cent of cases resulted in death, stillbirth, or a termination of pregnancy.

The Medical Defence Union, which conducted the survey over a six year period said the total cost of the claims was about £3.5m; 65 per cent of them were settled for less than £10,000 but five of the claims were for more than £100,000. The most common errors were wrong doses, contra-indicated medication, and administration errors.

In the survey of 21,500 claims against GP members, 790 resulted in damages being paid to patients and 196 of these were made because of drug errors. The results are given in *Medication Errors*, a new booklet published by the MDU. *Liz Howes*

## Arafat: 'fight peace of the brave'

JOHN LICHFIELD

Yasser Arafat and John Major yesterday called on the new right-wing Israeli prime minister to have the bravery to pursue the Middle East peace process and resume Israeli withdrawals from the West Bank this month.

The Palestinian leader, making his first public appearance since the Israeli election, was talking to reporters in Downing Street after a one hour conversation with the Prime Minister.

Mr Major invited the new Israeli premier, Binyamin Netanyahu, who won last week's election by a hair's breadth, to come to London. But he also urged him to respect the peace accords and, in particular, to withdraw as planned from Hebron, the last large Palestinian town under Jewish control.

Israeli withdrawal from Hebron was postponed because of the election until 12 June. But the Likud leader has spoken of maintaining control of the city for several years. The decision is seen as one of the key early indicators of Mr Netanyahu's intentions: will he pursue the hard line taken during the election campaign or the more compromising attitude implied by some of his post-victory statements?

Mr Arafat urged Mr Netanyahu to respect the withdrawal date and his comments were endorsed by Mr Major. The Prime Minister also called on the Israelis to lift restrictions on movement between the West Bank and Gaza.

Asked what message he would like to send to Mr Netanyahu, Mr Arafat said: "To continue the peace process, the peace of the brave which we have signed with our partners, Yitzhak Rabin and Shimon Peres."



Yasser Arafat in Downing Street:Appealed to Major and the international community to bring pressure on Netanyahu. Photograph: Brian Hains

"We are committed to the peace process. We are committed to what has been signed and we hope that the others will be committed equally like us."

"We respect the democratic choice of the Israeli people in the last election and we all

hope we will continue the peace process with them."

Mr Arafat thanked Britain "from the bottom of my heart" for its help in promoting a Middle East settlement so far. He made a thinly disguised call to London, and the rest of the

international community, to bring pressure on the new hard-line Israeli administration to pursue the efforts begun in Oslo in 1993.

Earlier, after meeting members of parliament, Mr Arafat said the Israeli-Palestinian rap-

provement was facing a "new challenge". "Can we protect it or not? I can't forget that my partner, Yitzhak Rabin, has lost his life for the peace ..."

Despite reports that the Palestinian President had been severely jolted by the election

result, MP's found him in ebullient mood. Labour MP Ernie Ross, who chairs a parliamentary group on Palestine, said: "He was in an effervescent mood. He was in no way depressed or downhearted."

Hebron pays price, Page 10

## Sixty secret mustard gas sites uncovered

CHRISTOPHER BELLAMY  
Defence Correspondent

More than 60 sites across Britain, officially declared "safe", have been contaminated by deadly mustard gas which remains effective for decades. These sites are, in addition to the eight sites officially declared by the Government under the Chemical Weapons Convention.

Attempts to clean up the 60-plus sites over the last 40 years

were often botched, leaving significant amounts of the highly corrosive, persistent chemical agent in the soil. Detailed records of the chemicals stored at the sites have been lost, according to evidence uncovered by a television documentary to be screened on Thursday.

Under the Chemical Weapons Convention, which Britain has just ratified, the Government is obliged to declare sites where chemical weapons were manufactured

or stored. The four production facilities were Randle in Cheshire, Nancetuke near Redruth, Sutton Oak, near St Helens and Valley in Croydon. There were also four forward filling depots at Barnham Heath in Norfolk, Thetford, Norton Disney near Lincoln, Lords Bridge in Cambridgeshire and West Cottenham near York.

But according to Julian Hendy, producer of the film for Yorkshire TV's "3-D" series, there are more than 60 other sites, mainly former RAF and US Air Force bases, where operational records show Mustard gas was stored and then imperfectly disposed of. Sites declared clear had yielded between 20 and 130 mustard gas bombs. One site, at Risley in

Bedfordshire, was declared "safe" by the MoD in 1985. Investigators then found contamination levels 130,000 times those considered safe, and last year the MoD admitted the site was still not clear.

The Yorkshire TV team investigated one of the sites at Duncombe Park, near Helmsley, North Yorkshire, where 12-year old Peter Turner found eight Mustard Gas canisters - four of them full - and nine Phosphorous bombs in tree stumps. The team visited the site, which yielded three more canisters. Laboratory tests identified substances including Dithiane and oxathiane which are believed to be from the breakdown of mustard gas.

Although chemical weapons

were very rarely used in action in the Second World War, Britain and the US stockpiled huge quantities in case they were needed. In 1940-41, Britain planned to use chemical weapons to help repel any German invasion of the British Isles.

More stocks were amassed in 1942-43, in case they were needed to bomb Germany, and in 1944, in case the Germans used them against the D-Day landings, as a deterrent and for retaliation.

More stocks were produced after the war, against the Soviet threat, but the build-up of chemical weapons ceased from the mid-1950s, when nuclear weapons became available.

Because mustard gas, a persistent agent, is extremely cor-

rosive, it was not loaded into bombs but kept in huge tanks at the forward filling depots.

It is understood that large stocks of mustard gas were destroyed in the 1960s and 1970s, by firing them at the canisters and then dousing the soil with bleach. However, the decontamination measures were often inadequate.

The documentary obtained a copy of an internal MoD document from last year about the clearance of the site at Barnham, which was highly critical of earlier attempts by the Proprietary Services Agency (PSA) to "clear" it. A team from RAF Wittering found 16 live mustard gas bombs, each 4.5 inches in diameter. A "second sweep" has been carried out.

**A** summer strike by British Airways' pilots moved a step closer after management and union officials failed to agree on talks. The pilots' union, Balpa, immediately posted strike ballot papers to its 3,000 BA flight crew members. The result will be known on 3 July.

The pilots are the only BA staff yet to accept a pay package giving the airline's staff a 3.6 per cent increase this year and a 1.997 pay increase of inflation plus 0.5 per cent.

Each side blamed the other for the impasse. BA management claimed a date and time for talks had been agreed but Balpa had subsequently refused to talk. Balpa general secretary Chris Darke said BA had "failed to accept" an offer for talks. Peter Victor

**A** man and a woman were found shot dead in a car at a busy commuter railway station in Finsbury, Surrey, last night. Forensic scientists were investigating the deaths, but it was not known why the two were shot or whether police were seeking anyone else.

Witnesses earlier reported seeing the bodies in the car covered with a blue blanket. All the doors were shut.

A spokeswoman for Surrey Ambulance Service said the woman had died after being blasted in the head with a shotgun.

**A** businessman accidentally discovered that he had been paying to light up part of a town centre for nearly 50 years. Norman Jacobs, 73, was amazed to find that two council street lights in Wisbech, Cambs, were plugged into the electricity supply in a building he owned.

"Council engineers came out to find out why the street lights had gone off and discovered a wire linking them into my electricity supply," Mr Jacobs explained.

He is now talking to Fenland District Council, which owns the lights, about compensation for nearly half a century of additional electricity costs. He said estimates of the bill ranged from £1,500 to £7,000. A council spokesman said each light would not use more than £20 worth of electricity each year.

**H**enry Bellingham MP

Our article 'Roll up for an adult debate about drugs' (3 October 1995) wrongly included Henry Bellingham, MP for North West Norfolk, in a list of public figures said to support the legalisation of cannabis.

In fact, Mr Bellingham, who is a member of the Parlia-

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## Forces' fear over sale of MoD houses

COLIN BROWN  
Chief Political Correspondent

David Hart, the special adviser to the Defence Secretary, Michael Portillo, was yesterday targeted by a former Chief of Staff over the sale service quarters to the private sector.

Field Marshall Lord Bramall protested in the House of Lords that "special advisers carry more weight than the Prime Minister", who had given assurances that the uncertainty facing the armed forces was over.

There is growing opposition among Tory MPs to the £1.6bn sale of the houses, which is seen as a privatisation too far. Mr Hart is believed to have been highly influential in persuading Mr Portillo to put the married quarters up for sale.

Senior Tory MPs are concerned about the plan to sell the whole of the estate, involving 55,000 homes, to a single bidder, reported to be a Japanese bank. A total of 19 bids were made for the houses, which have a rental income of £107 million a year, and 2,700 were vacated.

The Defence Secretary's special adviser has been a controversial figure at the Ministry of Defence, and some Tory MPs are determined to counter his influence. They were de-

lighted recently when the Government rejected his advice to buy US fighter jets instead of updating British Tornados.

Mr Hart emerged as an adviser to Ian MacGregor, the chairman of British Coal, at the height of the 1984 miners' strike. Lord Walker, the former Energy Secretary, told Mr Hart he could not handle the miners' strike from Claridges.

Lord Bramall's attack on the sale of the houses will be reinforced by Tory rebels tomorrow when James Arbuthnot, the minister for defence procurement, is questioned about the plan.

"We are going to give James a very rough time," said one Tory member of the Committee.

It's totally outrageous."

Mr Arbuthnot is expected to try to calm down the rebels by outlining a range of assurances, possibly including exchange criteria under which the private developer could offer houses in another area. The Tory MPs dismiss the plans as "cosmetic".

Sometimes Mr James would lift his trousers and reveal some of his 25 battle scars. He continued his campaign against vicious quadrapeds and their unthinking owners when he became a full-time official of the Communication Workers' Union two years ago.

There were two problems with the stun guns, according to Mr James. Younger employees often used them on colleagues and some of the craftier canines developed strategies to evade them. He said: "If the dog got used to them, some of the bloody things would hide behind hedges and then rush out and hit you on the arse."

## Menacing mutts leave their mark on hapless posties

BARRIE CLEMENT  
Labour Editor

Frank James, generally regarded as one of the most "bitten" postmen in Britain, has a guilty secret. For 36 years he raised against rampaging canines that attacked him on his delivery rounds in rural Staffordshire.

He would tell anyone prepared to listen that he endured an average of two dog bites a year. The small ones were a worst, he would say.

Alsatians were fine and you could see Rottweilers coming and scaring. Collies were pretty nasty, favouring a nip and run approach. But the real vicious blighters were those most favoured by Her Majesty the Queen. Corgis would bite your leg and refuse to let go.

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time. The dog, a cross-bred collie, bit her teeth into the postman's right leg.

The confession yesterday coincided with new figures on "menacing mutts" released by the union which showed attacks were on the increase and cost the Royal Mail up to £2m a year.

Official figures showed that 5,891 postmen and women were bitten by dogs last year – one delivery worker is attacked every 15 minutes.

The Royal Mail, which advises its employees to "make friends" with dogs on their delivery routes, is in the habit of sending letters of protest to irresponsible pet owners. According to the union, however, there is a marked reluctance among staff to deliver them.

Several years ago the Post Office started issuing its staff with "dog dazers", which emit ultrasonic waves. The pocket-sized devices stun the dog for a few seconds, until the postman can make good his exit.

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## THE INDEPENDENT ABROAD

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Germany	£3.60	Sweden	£4.20	Overseas £245.00. Credit card £235.00.
Iceland</				

# From one stop to non stop...superstores are bargaining to take over our lives

How the supermarkets compare in the loyalty card war

	Tesco	Asda	Safeway
Number of stores	545	206	369
Loyalty cards	Clubcard - points give cash vouchers	Asda card - points spent in store catalogue	ABC card - £1 deducted from bill for every £100 spent
Cashback	£50 limit	£50 limit	£50 limit
Petrol stations	245	120	127
Parking	all main stores	free	323
Creche	0	4	33
Packers	yes	yes	yes
Post Office	some	7	31
Other	dry cleaning	brolly patrol	38 florists
M&S		Sainsbury's	Morrison
Number of stores	283 in UK	363	82
Loyalty cards	Have own in-store charge card	No card at present. Announcement next week	No card. Focus on savings
Cashback	£50 limit	£50 limit	£50 limit
Petrol stations	1	183	all
Parking	some	free	85
Creche	0	3	0
Packers	when busy	on request	yes
Post Office	0	6	some
Other	collect by car	54 pharmacies	restaurants delivery service

NIGEL COPE

You can buy petrol, visit the dry cleaners, have a coffee...soon you will be able to buy a pension or take out a life assurance policy. And, oh yes, you can buy food too.

No, it's not a high-street arcade, a hi-tech shopping mall, or a bank trying to boost its profits; it is Tesco's latest strategy to up the stakes in the customer loyalty battle. The supermarket group yesterday announced plans for a new budget-account card that will offer far better interest rates than traditional banks and building societies.

It is seen as the first in a number of moves planned by supermarket that could see them offer a range of financial services including pensions and bill-payment facilities.

## As check-outs turn into checkpoints, stores queue for customer loyalty

Tesco's initiative is based on its hugely successful Clubcard loyalty scheme which was launched in February last year and now has 8.5 million members. The new Clubcard Plus scheme starts on 17 June and will be run in conjunction with National Westminster bank. Tesco claims the scheme will offer customers an easier way to budget for their shopping.

Members pay a regular monthly sum into the account to cover the amount they typically spend on groceries, petrol and some cash requirements. Customers can then use their card to pay shopping bills in Tesco and to withdraw cash from the supermarkets and from the 2,500 NatWest service tills.

The interest rate on outstanding credit balances is 5 per cent, approximately 10 times the rate on some current accounts. Members who go over their balance are charged an overdraft interest rate of 9 per cent, again lower than most banks and building societies.

Tesco chairman Sir Ian MacLennan said the introduction of the new card followed extensive research into customer requirements and the project was modelled on similar schemes in France and Sweden. "It makes paying for the weekly shopping bill, buying petrol and getting cash simpler, plus it offers a rate of interest which puts many traditional savings accounts in the shade," he said.

However, there are possible weaknesses in the scheme. Customers who exceed their overdraft limit could hold up check-out queues while problems are addressed. Customers could also find that their standing order for Tesco's account pushes them into the red in their bank account, on which they will incur higher interest-rate charges. Some customers may not wish to juggle two accounts. It is also possible that the form-filling requirements could deter some customers from applying.

Sir Ian said the scheme was being offered to Tesco staff first so, they would be well briefed to answer customer questions when the card goes public in two weeks.

He declined to comment on any other financial services Tesco may offer. The group has signed a three-year deal with NatWest who will operate the scheme. After that it is possible Tesco would apply for its own banking licence and operate a branded deposit account.

Tesco's rivals are working on similar schemes as supermarkets jostle for position in the grocery market. Safeway is working on turning its ABC loyalty card into a credit card; Sainsbury will launch a loyalty card later this summer that could involve some financial products; and Budgen has already launched a Visa credit card.

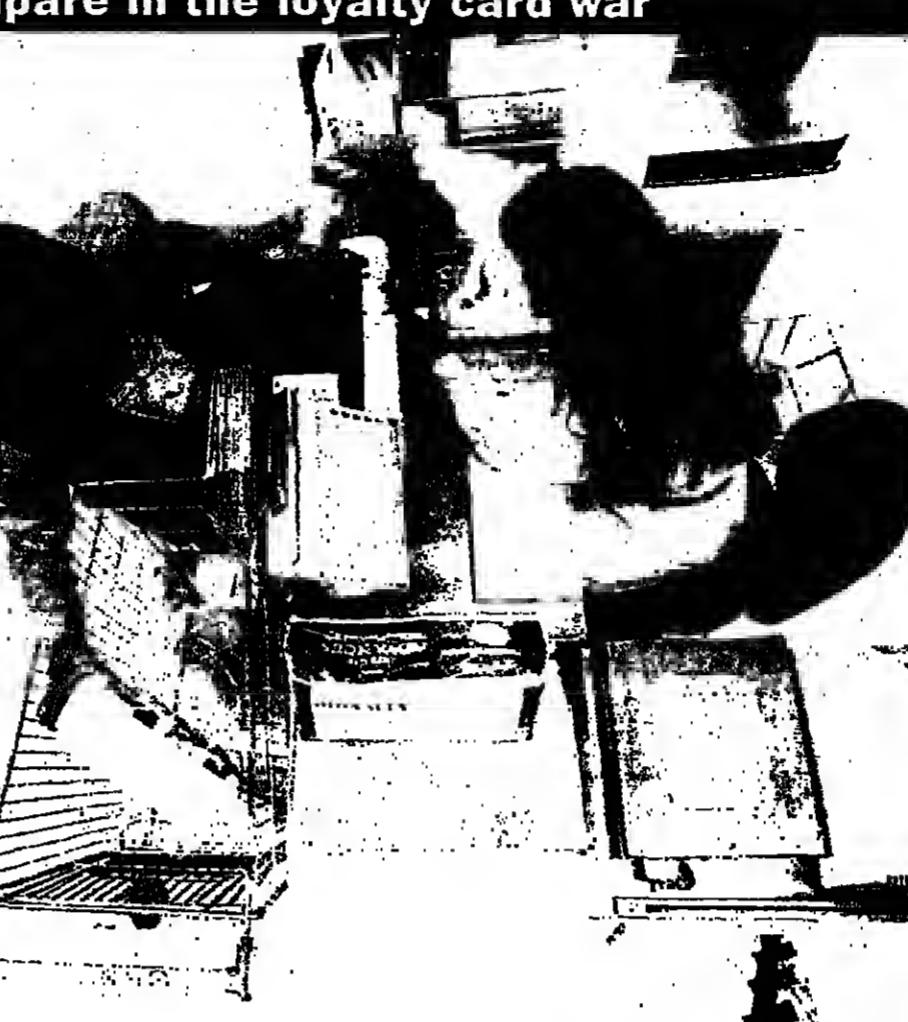
Tesco's move was applauded by supermarket analysts. Mike

Dennis of stockbrokers NatWest Securities said: "It is an added way of locking in customers and it makes it much harder for Tesco's rivals to beat it."

Graham Gould of the Cnbra Group, a strategic consultancy, said "Tesco's move was part of a growing trend that will see well known high-street names capitalise on the strength of their brands." "I think it's the start of a trend," he said. "There are other organisations that have stronger brand values and better access to their customers than banks or building societies."

"Supermarkets are opening branches, banks are closing them. Banks are moving further away from their customers with telephone banking; supermarkets are moving closer to theirs."

Comment, page 17



## TV show makes a game out of debt

DAVID USBORNE  
New York

On this game show there will be no conveyor bearing hula-hoops, golf clubs or food liquidisers. No revolving cabinet revealing that irresistible gas barbecue. And certainly no curtains going up on a family hatchback or self-erecting tent. No, no. Win here tonight and you take home nothing!

But that is not quite fair. The prizes on this show are those things you already have, but could not afford to pay for - the washer-dryer and the new downstairs windows, all bought on the never-never. What you, and millions like you, have is

what this game show is called: *Debt*.

Where once being in hock was almost a cause for shame, so pervasive is the condition today that a slot of prime-time television dedicated to celebrating it seems really quite natural. These days it is hard to tell the difference between money you have and money you owe.

Due to be premiered on the Lifetime cable channel across the United States at 6.30 pm last night, *Debt* will introduce three new contestants each week.

First they must lay out before the cameras the full extent of their financial liabilities. Student loans, outstanding visa bills, credit from the bank for the car,

and so on. Then comes the game part and the chance to wipe away all that pesky red ink. Wink Martindale, a veteran game-show host with never-ending looks, will pepper the three with pop-culture questions. Thus this one from last night: "I am the film in which Robin Williams gets to hide his hairy arms and pose as a housewife." Answer: "I am *Mrs Doubtfire*". Cue wild applause and watch that Visa bill drop by \$100. The top prize is \$10,000 to pay off a particular debt plus another \$10,000 to take home.

Want to get on the show? You are not alone. Mr Martindale reports that as soon as the first advertisement for contestants

appeared in a Los Angeles newspaper, the queue went around the block. It is hardly surprising when you consider that Americans currently owe some \$380m on credit cards alone (up 14 per cent from a year ago) and that a third of all consumer loans in the US are at least 30 days overdue.

"I think it set a record for one weekend for people wanting to be guests," Mr Martindale said yesterday.

But just in case they run out of penniless players, you might want to send in your name and all your debt details to: Buena Vista TV, 500 South Buena Vista Street, Burbank, California 91521, USA. I'll be watching.

## Lady Godiva and Snowdon Aviary vie for heritage listing

JONATHAN GLANCEY  
Architecture Correspondent

One moment you are a primary school child watching the Snowdon Aviary at London Zoo being built (with much tut-tutting from the namies in Regent's Park); the next thing you know, this avant-garde Sixties' bird-house is being recommended for listing by English Heritage as a building of historic and architectural importance. Time, like captive birds, appears to fly ever faster in the ever-expanding world of heritage.

Today, an exhibition opening at the RIBA Architecture Centre in London presents the public with 57 varieties of post-war buildings which English Heritage is keen to see listed.

This is the second of three such exhibitions; this one deals with sculptures and memorials, places of entertainment, "planned town centres", New Town housing, and rural housing. Has the Sussex town of Crawley's time come round at last? Er, no. But, if you live at either 3 to 12 Orchard Croft or 161 to 165 Mardon Road, Harlow, in Essex, you may soon be living in a Grade II listed house like tofts in Georgian rectories in more salubrious parts of southern England.

Both of these rows of New Town houses, dating from the early Fifties, were designed by



The Henry Moore sculpture in Jamaica Street, east London. One of four listed. Photograph: Tony Buckingham

Frederick Gibberd, better known as architect of the cathedral of Christ the King, Liverpool (aka "Paddy's Wigwam") and of Heathrow Airport when it expanded into much of its present form in the late Fifties and early Sixties.

Heritage, however, is for animals too. Doubtless there will be many an exotic bird preening itself at London Zoo if the famous Snowdon Aviary (Snowdon, Price and Newby, 1962-65) is listed Grade II as English Heritage would like. The same accolade should flatten the residents of the nearby Elephant and Rhino House (Casson & Conder, 1962-65).

The recommendations for sculptures and memorials include the Kennedy Memorial,

at Rummymede in Surrey (Geoffrey Jellicoe, 1964-65) to William Reid Dick's statue of Lady Godiva at Broadgate, Coventry (1949). There are five Barbara Hepworths and four Henry Moores on a list that casts its shadow from Devon to Greater Manchester.

Dr Martin Cherry, Head of Listing for English Heritage, says: "The first post-war listings exhibition in March attracted enormous attention and the public response has been extremely positive. By including public sculpture among our recommendations, we hope to draw these works - some of the best sculpture ever produced by British artists - to national attention. Listing will ensure their safekeeping and, in effect, es-

there are approximately half a million listed buildings in Britain, representing 2 per cent of the total building stock. Of these 184 have been built since 1945. Expect that number to expand inexorably, because the bulk of the nation's building stock dates from after the Blitz and somewhere in all that schlock are aviaries, elephant houses and New Town terraces that deserve equal footing with the best the 18th and 19th centuries have handed down to us.

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## Dunblane killer 'was obsessed with guns'

JAMES CUSICK

The reasons for Hamilton's forced resignation from the Scout movement were also heard by Lord Cullen. Brian Fairgrieve, a retired surgeon, 69, who was county commissioner of the Scouts in the early 1970s, described how concerns were raised after several weekend trips in Aviemore in the Scottish Highlands organised by Hamilton. Instead of staying in a youth hostel, as parents had been told, the boys had slept in Hamilton's van.

Hamilton's obsession with the guns he owned also emerged when one witness described how he "stroked" the weapons and "talked about them as if they were babies".

At the beginning of the second week of the inquiry before Lord Cullen, Gurdin Crawford, secretary of Stirling Rifle and Pistol Club, said that Hamilton attended the club three or four times a year between 1988 and 1993.

However, at the beginning of this year he began to appear regularly. The inquiry has already heard that over the same period Hamilton had begun stockpiling a large amount of ammunition and had continued to question one boy who attended his boys' club on the internal layout of Dunblane Primary School and specific times of school assemblies.

According to Mr Crawford, Hamilton was uninterested in competition. "He wanted to do other things, shooting at 10 metres." The inquiry heard how at the shooting club, instead of firing 12 rounds over two minutes in one shooting discipline, Hamilton would fire off two pistol magazines (30 rounds) in quick succession. On another occasion he emulated magazines into one target when rules of a competition had specified he should be firing at three targets.

Regardless of Hamilton's unusual behaviour and method of firing, nothing was reported to police. Mr Crawford said:

"Under the scheme, which runs till the end of this month, illegal weapons can be handed into police stations without fear of prosecution provided the weapons have not been used in any crime."

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## news

Nation's health: A healthy lifestyle initiative is launched as the Army wages its own battle against flabby soldiers

# Obesity blamed on passive over-eating

LIZ HUNT  
Health Editor

Scientists have coined a new phrase to describe the consumption of fat-laden foods which are partially to blame for the epidemic of obesity in Britain and other Western countries - passive over-eating.

Failed serial dieters who blame their weight problem on their genes, a slow metabolism or being "big boned", will no

doubt gleefully adopt the concept, suggesting as it does that it is not their fault they are fat.

But passive over-eating, unlike passive smoking, offers no excuse for the victim, according to Dr Andrew Prentice of the Medical Research Council's Dunn Nutrition Centre in Cambridge. A low-fat diet and exercise remain the key to weight loss.

Speaking at the launch of a new healthy lifestyle initiative

by the food and drink industry yesterday, Dr Prentice said there had been a 50 per cent increase in the fat to carbohydrate ratio in the national diet since the 1960s. "Food intake has been declining from its peak in the mid-1950s, so how is it that we have a burgeoning increase in obesity?" he asked.

In part the reason is that although we are consuming a similar [or decreased] bulk of food there are many more calories

per gram. It is passive over-eating - we don't necessarily want to eat more ... but neither we nor our bodies are recognising [the extra calories] and reducing the quantity of food accordingly."

But a predilection for fatty foods is only part of the story and the increase in "sloth" may be a more significant factor, Dr Prentice said. A rapid decline in levels of physical activity has coincided with soaring

obesity rates. Less than 6 per cent of children now walk to school compared with up to 80 per cent in the 1950s and 1960s.

Television viewing has doubled from 13.5 hours in 1967 to 27 hours in 1992; people now spend 40 per cent of their leisure time watching television, he added. "There are very few people who are doing anything like the energy expenditure necessary to compensate for intake."

Dr Prentice said that weight-

gain of Western populations had been the trend for 50-70 years. Boeing, the aircraft designer, had increased the weight allocation per passenger by 22lb since it first started building aeroplanes, he said. But it is the rise in the incidence of obesity - the number of obese British men and women doubled between 1980 and 1991 - which has alarmed doctors who say that changing behaviour is the only way to tackle the problem,

and reduce costs to the NHS of obesity-related problems, a figure now put at £2bn.

The Government's Health of the Nation target to reduce the prevalence of obesity to 6 per cent of men and 8 per cent of women by 2005 is now regarded as over-ambitious but the Food and Drink Federation said good progress towards the targets was possible. Its "Join the Activators" initiative will focus on easy lifestyle changes.

**Football tragedy officers win £1.2m damages**

PATRICIA WYNN DAVIES  
Legal Affairs Editor

Fourteen police officers who suffered psychological damage rescuing victims of the Hillsborough disaster were yesterday awarded £1.2m in damages.

All the junior-rank officers had gone into the fenced pens to try to save Liverpool fans in the 1989 tragedy, which put their case into a different category to the unsuccessful claim brought by six other officers last year.

But the award, agreed after South Yorkshire Constabulary, Sheffield Wednesday Football Club and the club's engineers admitted negligence, also served to reopen bitterness among victims' families, many of whom received no compensation after watching the tragedy unfold on television.

The officers' solicitor, Simon Allen, said they were still significantly affected by post-traumatic stress caused by bringing out the dead and injured from the pens. Five had left the force because of the psychological damage caused.

The settlement, agreed at the door of Sheffield High Court just as the case was to go before a judge, contrasts with last year's claim by the six other officers who had tended injured and dying fans on the pitch and with bodies in a temporary mortuary.

The High Court ruled that they had not been "rescuers" to the degree as the 14, but this is subject to an appeal to the Court of Appeal next month.

Mr Allen said: "Members of the emergency services are no different to anyone else in that when their emotions are subjected to the gruesome scenes of a tragedy such as Hillsborough they are likely to be mentally affected as a result."

"They accept the reasonable risks of their service, but they should not be expected to deal with the appalling consequences of the negligent actions of others, including their own senior officers."

Although no details were given of individual settlements, yesterday's compensation would average out at £85,000 per officer.

But most of the relatives were denied compensation because they were unable to make a case of negligence.

Joan Traylor, treasurer of the Hillsborough Family Support Group, said the size of the award was "outrageous".

Mrs Traylor, who lost two sons in the disaster, said her doctor had advised her she was still suffering from the trauma. She added: "They will also have their pensions and everything else, won't they? We have got nothing at all."

Phil Hammond, the group's secretary, received £7,000 in compensation for the loss of his son. The family was later awarded £24,000 from the £14m Hillsborough Disaster Fund.

Relatives lost a Court of Appeal attempt to get their compensation increased and were blocked from appealing further to the House of Lords.

The Police Federation, which underwrote the officers' legal costs, extended its sympathy to the relatives who have been denied compensation under the law. But Ian Westwood, the federation's national vice-chairman, said: "These junior officers were in no way responsible for the tragic events which occurred. On the contrary, they did everything possible to save lives that day and they witnessed horrific sights."

Mr Westwood said the officers had brought the action partly because the tragedy had been avoidable.

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How the army makes its soldiers fighting fit	
<b>Basic Fitness Level for civilian recruits</b>	
age 17-25. Minimum standards for all arms and services: higher scores are necessary for entry to certain arms.	2.4 km (1.5 miles) individual best effort in under:
men 11 min 30 secs	women 14 min 15 secs
both sexes	heaves to the beam 2 sit-ups, for 1 minute
<b>Basic Fitness Test after 8 weeks</b>	
all trained soldiers must pass it every six months:	
Part 1: Whole squad to cover 2.4 km (1.5 miles) in 15 minutes.	
Part 2: Individual best effort over same distances:	
29 years and under 10 min 30 secs	30-34 11 min
35-39 12 min	40-44 13 min
Alternative test for over 40s: run and walk 3 miles in 30 minutes	
<b>IP Company</b> (trained soldiers wanting to be paratroopers)	
Timings "flexible": instructors are looking for maximum effort	
Test 1: 10 miles battle march in 1 hr 50 min	
Test 2: Traumasure: aerial confidence course	
Test 3: Assault course	
Test 4: Steeplechase, 2 miles, crossing river 9 times	
Test 5: Log race (squid carrying log 2.25 km (1.3 miles)	
Test 6: Malling - one minute's "controlled aggression" in boxing with 16-oz gloves and headguard	
Test 7: Endurance: 1.18 mile march including 2 demanding hills	
Test 8: Endurance: 2.12 mile march	
Test 9: 10 km (7.25 mile) speed march	
Test 10: Stretcher race: Teams carrying loads on stretchers	
<b>Commando course</b> (trained soldiers and Royal Marines wanting to be commandos)	
Training combat kit weighing 22 lbs plus SA-80 rifle	
Test 1: 9-mile speed march: 90 mins	
Test 2: Endurance march: 2 miles over ponds, through tunnels, etc. Recruits 71 mins, officers 70 mins	
Test 3: "Tarzan" assault course: Recruits 13 mins, officers 12 mins	
Test 4: 30-mile, 30 miles across Dartmoor carrying additional safety stores. Recruits 8 hrs; officers 7 hrs	

## Instructors adopt gentle regime to toughen up recruits for combat duty

CHRISTOPHER BELLAMY  
Defence Correspondent

"Come on you! What are you waiting for? An invitation? You should be up there! Let's go!"

After six weeks of training at Pirbright, Surrey, the future soldiers in the five Guards regiments and the Royal Logistic Corps were undergoing their combat agility test, designed to show they were fit enough and knew how to tackle obstacles well enough to go into combat.

As most swing, a little hesitantly, over the assault course, climbing ropes, scaling five walls and balancing on steel bars, a group of newer recruits were watching, getting their first introduction to a frenetic world of mud, water, acrobatics, aerial bars and pain.

"Do not stop! If you stop you will fall in!" shouted Bombardier Ian Batterby, Royal Artillery, one of the instructors. There was a splash as one of the soldiers dropped from the aerial frame and disappeared into the brown gunge. "Dry your hands on your helmet! Come on! Move!"

After 16 to 25 years of the wrong food, the wrong shoes and not enough exercise, the Army has just 10 weeks to get its recruits up to the minimum standard required for combat soldiers. Most it succeeds in turning raw material which is sometimes the consistency of lard into something nearer filet steak. But to do it has had to alter its training policy.

Twenty years ago, young recruits would have been buried at this assault course with little preparation and expected to get

round it. Now, they have to be introduced to it gently. By week eight they should be ready to take the basic fitness test, which all soldiers have to pass every six months. The biggest and most far-reaching change the Army has had to face in recent years is in the human raw material the instructors now have to work with.

The effect of modern lifestyle on young bodies is not just a question of fitness, of upper-body strength and endurance. Young people also appear to be more fragile, and less used to pain and exertion, and the trainees have to take that into account as well.

The most difficult task for the newly-formed Army Individual Training Organisation, will be to maintain a flow of trained soldiers to the Army's recruits become less "robust". Changes in diet, and lifestyle - long hours in front of the video, less

emphasis on physical exercise and sport in schools and wearing trainers - are blamed. In many cases, recruits are overweight - although those grossly overweight are not accepted and would not pass the initial, very basic fitness test given to all applicants. In some cases, particularly in Scotland, they are also underweight.

They are usually aged between 16 and 25, although occasionally those entering certain trades may be older. Pirbright, formerly the Guards' depot, is the home of one of the Army's five training regiments, which trains young men and women for the Guards, the RLC, the Royal Artillery and the Royal Electrical and Mechanical Engineers. All do the 10-week "common military syllabus" course. The gunners,

summoned. "It's just his ankles. But we don't take any chances," said Staff Sergeant Pauline Doran, the senior physical training instructor responsible for the gym and 15 physical training instructors at Pirbright.

About five out of every 40 recruits are injured during the 10 weeks. S/Sgt Paul Bastow is a trained "remedial instructor".

"We get lots of lower leg injuries, stress fractures, and back injuries. And we're starting to see more stress fractures of the feet. It's the bio-mechanics of the foot. We're having to seek dietary advice," he said.

Those who attend the remedial centre receive extra help which may give them an advantage over those not unfortunate enough to be injured. Special attention is paid to "running style", which is a big

problem as many of the recruits have never been taught to run properly. The instructors at Pirbright are increasingly finding that recruits have not been taught basic physical techniques, for example, how to lift weights. They are also taught what to eat.

"Another problem is they've never gone through any pain.

Their perceived rate of exertion would be totally different from a competent amateur athlete," said S/Sgt Bastow. The majority of recruits were determined to become soldiers and to overcome the hurdles in their way.

About 60 per cent of those injured returned to and completed their training.

Major-General Christopher Elliott, the "chief executive" of the new agency responsible for producing trained soldiers, said the Army was considering lengthening the initial recruits' training course to 12 weeks to cope with the "couch potato" problem, but that other, more flexible schemes were also being examined, such as potential recruits joining the Territorial Army for six months.

Back at Pirbright, in the gym, a group of recruits destined for the Royal Artillery, who had been in the Army just three days, were receiving their first gym instruction. Some had never been in a gymnasium before.

As everywhere in the Army, those who have had gym lessons at school had to re-teach alongside those who had not. Within 10 minutes, a change in the way recruits moved and worked together was apparent. There would many more changes in the next 10 weeks.

Mr Streeter was promoted to Parliamentary Secretary in the Welsh Office, following newspaper allegations that the minister had an affair with a 28-year-old divorcee, Julia Feltz, wife of 21 years, Liz, is popular in the constituency.

Teresa Gorman, the MP for Billericay, has questioned Mr Major's judgement in ordering Mr Richards to resign. Writing in the *Daily Express*, she asked: "Do we want real human beings

for politicians, or celibate, sanctimonious humbugs?

"Politicians," she went on, "live very unnatural lives. Separated from their families for most of the week, it is inconceivable that men living on politically-charged adrenaline should confine their sexual urges to Friday and Sunday."

The sacking, she warned,

could reinforce demands for a

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damag**Pembroke collection:** Paintings and sculpture acquired by students at an Oxford college have been rescued after two decades of neglect

# £1m art cache found decaying in a basement

MARIANNE MACDONALD  
Arts Correspondent

A post-graduate student at Pembroke College, Oxford, has discovered an important collection of post-war art which had been left to moulder in a locked basement for almost two decades.

Thought to be worth close to £1m, it includes works by Prunella Clough, Lynn Chadwick, Victor Pasmore, Patrick Heron, Elisabeth Frink, Percy Wyndham Lewis and John Piper.

The cache was found by Victoria Wild, 27, who is finishing a Doctorate of Philosophy on the history of Conservative Party finances and is a junior dean of Pembroke, one of Oxford's

they were covered in mould. They had been down there since 1978.

The works were by the cream of post-war sculptors and painters, including Ceri Richards, Humphrey Spender, Terry Frost, Patrick Procktor, Peter Ibbetson, Cecil Collins and Gerald Wilde.

In a room upstairs she found

damp and dirty works by Duncan Grant, Heron, Frink, Mary Fedden, Lewis, David Tindle, John Minton and Tim Phillips.

"The collection was astonishing, not only because it was forgotten but because of the story behind its conception," Ms Wild said yesterday.

For the works belonged to the students themselves. All the important pieces had been acquired between 1947 and about 1965 using a fund toward which Pembroke undergraduates originally paid 7s 6d a term.

The collection was the inspiration of an undergraduate called Charles Anthony Emery, a former Army officer who went up to Pembroke at the end of the Second World War as a mature student. His idea was to buy works both to furnish students' rooms and in encouraging young British artists.

Kenneth Clark, the then Slade Professor of Art at Oxford, was the first picture buyer, and acquired paintings including *Sail Life* by Grant, *Bridge at Cannon Street Station* by Minton, and a John Piper.

Later, in 1954, the president of the junior common room visited Francis Bacon's studio and bought an oil, *Man in Chair*, for £150 – and was censured for wasting money. It is now in the Ashmolean Museum, and works by Bacon can sell for half a million pounds.

Ironically, it seems that the collection ended up in the basement after the paintings became too valuable to stay on students' walls. College folklore has it that one picture by Derrick Greaves got ripped after being balanced on a door so that it would fall

smaller and poorer colleges. Last October, she moved into a set of rooms in the college and asked for them to be redecorated. She thought the walls looked bare and asked if there were any prints available. Told that there were some old pictures in the basement of a student house, she went to investigate.

"It was full of broken furniture and behind the junk there was another door ... I started picking around. It is a very damp part of the college. There were about 60 pictures in there. Lots had big rips in them, their frames were falling off and

## David Hare throws book at awards secrecy

DAVID LISTER

Laurence Olivier once said he only approved of prizes for actors if he was receiving them. The playwright David Hare has taken the adage one step further.

He only approves of prizes for playwrights if the winner is informed in advance that he has won. Lawyers' letters have been exchanged between Hare and Lloyds Bank, which had the audacity to nominate him as playwright of the year.

Hare, author of award-winning plays such as *Skyline* and *Racing Demon*, claims he disapproves of award ceremonies which do not tell the winner in advance that he has won.

He first aired the issue in his column in the *Spectator* when he wrote: "Award ceremonies are getting out of hand ... Lloyds Bank, without permission, entered me for some new award no one had heard of. When I declined to take part in the usual humiliations in a London hotel, they said it was their right to enter me whether I liked it or not."

"A letter arrived, making lawyers' threats. They don't understand. No sensible playwright likes to be entered like a rat in a trap opposite their colleagues."

But in the current issue of the magazine one of the award panel judges, Sheridan Morley, who is, ironically, the *Spectator's* theatre critic, fires a broadside against Mr Hare.

"Hare's recollection of the Lloyds Bank affair needs considerable correction," he says.



Hare: Award ceremonies getting out of hand

"His agent told us somewhat sheepishly that Hare would only attend the prize-giving dinner if he could be told in advance that he had won. Told that we simply couldn't reveal that, since it had been a secret ballot and the winner would be known, even to the judges, only on the night of the prize-giving, it was then Hare not us, who threatened legal action."

"Unlike all 11 other finalists,

including some of the greatest

playwrights in the land, he alone demanded through lawyers that his name be removed from the shortlist and all advertising associated with the prize, for which, in the event, he was a close runner-up."

"Lloyds Private Bank lawyers

told us that he had not a legal

leg to stand on, but the spon-

sors decided at vast expense to

themselves that they would in

any case honour his feelings.

The precedent is terrifying.

"Hare had a perfect right to

decline to attend the dinner, but none whatsoever to demand that a panel of independent

judges, mainly London drama

critics, should be allowed to

nominate for this £25,000 prize

only those writers who allow

themselves to be nominated."

"On reflection, I believe we

were altogether too accommo-

dated to Hare's evidently very

shaky ego."

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Art hoard: Victoria Wild with some of the restored paintings. Anti-clockwise from top left: Patrick Heron's Crown Vicarage by Night, Alexander Calder's Abstract, Prunella Clough's Fishermen with Sprats, Ceri Richards' Nude and John Piper's Three Saints. Photograph: John Voss

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## news

**Poverty trap:** Notion of underclass living off the state is misguided, claims research highlighting pressures of a low income

# Families on breadline face 'daily battle'

GLENDY COOPER

People on low incomes are not a feckless "underclass" content to live off the state, but aspire to a job, a decent home and an income to cover their bills, according to a new report by the Joseph Rowntree Foundation.

For just £15 a week more, millions of poverty-stricken families which fight a constant battle to make ends meet could be saved from such misery, it concludes.

Around 14 million adults and children now live in households whose net incomes are half the national average. The report, *Life on a low income*, comes just 12 months after an inquiry set up by the foundation revealed that the gap between rich and poor has grown between 1979 and 1992 to its highest level for 50 years.

For a family of two parents and two children, the national average income after housing costs would be £220 per week. The same family, living on income support and child benefit, would have £153.

But far from wasting the little money they had, the report's author, Elaine Kempson, spoke yesterday of the "incredible resourcefulness and resilience" and "very sophisticated money management" that was shown by those living in poverty.

More than 2,000 people were interviewed around the country for the report, whose publication coincides with the launch of *Broke!* - a Channel Four season on poverty, beginning today.

The foundation concluded that those on benefits would have had the money they needed to avoid real hardship if the link between earnings and social security benefits had not been broken in the early 1980s. Those who relied on income support - nearly 10 million people - were the worst hit. The inflexibility in the social security system also meant that would-be workers who accepted

ed casual or low-paid jobs for a few hours a week gained little advantage unless they failed to disclose them and committed fraud.

The report paints a bleak picture of those struggling to survive on low incomes. Women, who normally managed family budgets, resorted to complicated strategies that included shopping little and often to avoid stocks of food that might get eaten too quickly, systematic searching for special offers and shopping without partners or children to

**They have found to their cost that looking after the pennies does not mean the pounds will look after themselves'**

avoid pressure to spend more. Anxiety to avoid waste led some mothers to buy convenience foods they knew their children would eat - even if they were not healthy foods.

People living on low incomes tended to have diets which were low in fresh fruit and high in fat. Problems were worse for people who needed special diets as they were often more than they could afford. "I'm on what you call a 'highline' diet with my diabetes," said one woman. "But some weeks it goes out the window ... Sometimes I've really had to cut down with food. As a diabetic I shouldn't. But the things I should eat, I can't."

Parents were adamant they would not compromise on spending for their children, even if it meant going without themselves.

While adults bought themselves second-hand clothes from charity shops or jumble sales, for children they were more likely to compromise, to

stop them being teased for wearing "hand-me-downs". Mothers tried to ensure that clothing lasted as long as possible by buying a size or two too large.

Debts tended to be for basic household bills - rent, mortgage, gas, electricity and water and council tax - rather than the consumer credit arrears accumulated by better-off debtors. These types of debts carried the harshest sanctions in terms of repossession, disconnection, fines and even imprisonment.

The research shows most people were ashamed of being in debt, and for those whose homes were repossessed, the sense of public humiliation is particularly strong.

"Life on a low income, as experienced by a large and growing minority of the population is a stressful, debilitating and demeaning experience," said Ms Kempson, a senior fellow at the Policy Studies Institute. "While some people manage their budgets more successfully than others, the inability of those on the lowest incomes to make ends meet can seldom be attributed to fecklessness.

"Most of those in debt feel shamed and stigmatised, despite knowing they can't pay rather than whooo can't pay. They have found to their cost that looking after the pennies does not necessarily mean the pounds will look after themselves."

The foundation is calling for a commitment to achieve the fullest possible level of employment, policies to tackle low pay and ensuring that tax changes do not increase the burdens on those least able to pay.

The unco-ordinated policy-making which has forced poorer people to pay the price for changes that have benefited the majority must be addressed," said a spokesman.

"It is important that people in that position are allowed to benefit from general rises in prosperity." While we're off fighting, all the Government was think-



While Kevin Hogan was fighting for Britain, "Mrs Thatcher was smiling, patting us on the back and robbing us blind"

Photograph: Philip Meech

## 'I would tell Major that the system stinks'

Fifteen years ago, Kevin Hogan was a proud supporter of what he calls "the system". He was a member of the British Army's parachute regiment, and served in both Northern Ireland and the Falkland Islands, writes Glenda Cooper.

"When I went out to the Falklands it was all, 'off you go chaps, you'll never want for anything'. When I used to hear *Land of Hope and Glory*, the hairs would stand on the back of my neck. I don't get that feeling now."

Hogan left the army in 1989 and has since been diagnosed as suffering from post-traumatic stress disorder. He and his wife Jane and their two children - Hannah, 6, and Luke, 3 - now live on his incapacity benefit, which comes to £128 a week, and his admiration for Margaret Thatcher and her free market economy has disappeared.

"While we're off fighting, all the Government was think-

### CASE STUDY

ing about was winning the next election. Margaret Thatcher was smiling, patting us on the back and robbing us blind."

Poverty deprives you of yourself, of pleasures, leisure and security," he continues. "I see my wife going without good

food so she can give it to the children. There is a constant pressure to pay bills. You're forever robbing Peter to pay Paul. Most of our money goes on fuel bills, as it is really difficult to heat our house."

When the family home was repossessed last year, the thing that hurt him most was the fear

and bewilderment of his children. They could not understand where or why it had gone. "Poverty is seen as a failure," he explains.

Poverty destroys your self-esteem and the media give you these verbal beatings, leading everyone to believe it is their fault if they're poor. We exist in

a system full of selfishness. It's like we're told that poverty doesn't exist. Then I ask myself: why is everyone terrified of getting sacked? It's because they know where they'll end up - where we are. You can only make it these days by standing on your fellow man."

But he believes that such an individualistic society cannot survive for long.

"I'm not asking for pity. I'm sure if we all got together and talked about it, we'd realise that the current system isn't working. At the moment there's no room for human emotions - things such as compassion towards your fellow man."

He berates politicians for their inaction. "I wonder what Mr Major thinks when he lies his head on his pillow at night. If I met him I would say, 'Can't we just take a look at the system, because the one we've got now stinks'."

### Foundation that targets cause of social ill

It is over 90 years since the Joseph Rowntree Foundation was set up, funded by the York-based chocolate company, with the aim of seeking out "the underlying causes of poverty".

In Victorian times, as now, the Rowntree was synonymous with wealth and philanthropy. In his teenage years the great Quaker philanthropist had witnessed the first famine, by his 30s he had published papers on poverty.

When he set up the foundation in 1890, it had £42,000 in shares. Rowntree hoped to find causes and solutions to

## 'Derbyshire' inquiry to cost £2m

CHRISTIAN WOLMAR  
Transport Correspondent

The search for what caused the sinking of the *Derbyshire*, lost in the Pacific Ocean 16 years ago, will proceed in two phases, the Government announced yesterday.

The most complex marine accident investigation carried out by the United Kingdom will involve two expeditions to the site of the sinking, off the coast of Japan, at a cost of £2m.

A source at the Department of Transport described the quest yesterday as "like trying to fly through the Alps in a glider holding a pen-torch in your mouth as your only light".

The first expedition, due within the next month and lasting five days, is to fix the location of the stern by sonar

mapping and possibly the use of remotely operated submarine.

An expedition sponsored by the International Transport Federation discovered the bulk of the wreckage last year but could not identify the stern, which the federation suspects is at another wreckage site five miles away.

The second expedition, to last between three and eight weeks early next year, will entail a more detailed marine survey and may feature the descent of a manned submarine 4,300 metres (14,000ft) to the seabed.

The 90,000-ton British-owned *Derbyshire* sank in September 1980 in a typhoon while on the way from Canada to Japan, with the loss of all 44 people on board.

The ship was modern - four years old - and double-hulled,

so the department believes the reasons it went down may hold lessons for the design and safety of other vessels.

The Derbyshire Families Association, which has led a lengthy campaign to force the department to investigate the disaster, expressed disappointment that it would not be re-

sented on the expedition.

The Families Association argues that catastrophic failure of one of ship's frames - No 65 - caused the sinking.

But the expedition will consider another 12 suggested causes for the disaster, including failure of the hatch cover or engine.

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The most testing event for British poets in the Thirties was the Spanish Civil War, when Franco's Fascists overthrew the elected Republican government, writes Valentine Cunningham. The world's left-leaning poets - the majority - took up Spain's cause as a moral crusade, flocking to Spain as fighters, medical workers and propagandists. The passion and fury evoked by war filled the pages of Auden, Spender, Orwell, MacNeice, Laurie Lee: heroic songs, laments, elegies, poems from battlefields, hospital, prison, and, in this instance, Geoffrey Grigson's scarcely concealed attack on the British government's aloofness.

Valentine Cunningham edited the Penguin Book of Spanish Civil War Verse, reissued this month in Penguin 20th Century Classics at £9.99.

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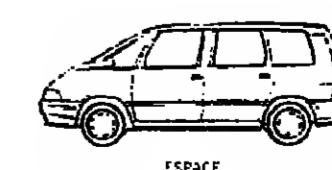
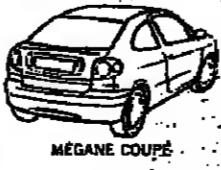
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## THE EUROPEAN

# Patience with Britain begins to wear thin

SARAH HELM  
Brussels

Douglas Hogg, the Agriculture Minister, was last night again battling to ease the European ban on British beef as the Government intensified its disruption of European Union business, provoking an increasing storm of protest.

Mr Hogg presented a 121-page document to European agriculture ministers listing British BSE eradication measures in his latest attempt to secure a lifting of the ban on gelatine, tallow and semen.

Despite Mr Hogg's latest initiative, Government hopes of securing an easing of the ban appeared to hang in the balance, as Germany and Austria indicated they would continue to block the modification. Spain, Belgium and Luxembourg, who previously opposed the change, showed signs of switching sides, lifting British beefes of a breakthrough.

Mr Hogg yesterday repeated John Major's insistence that Britain's programme of disruption of EU business would continue unless the ban on the three beef byproducts was lifted and a "framework" for removing the entire ban was agreed. The Government's message last night was that without progress, Britain would proceed with its threat to sabotage the Florence summit in three weeks' time.

As Mr Hogg was attempting to win over his European counterparts, Kenneth Clarke, the Chancellor, and Eric Forth, the Employment Minister, were spearheading an intensified veto campaign by blocking eight measures in separate European Council meetings. Mr Clarke, who blocked a long-standing measure to combat EU fraud, previously supported by Britain, said he had told fellow finance ministers that Britain

## VETOES

would continue to block all decisions requiring unanimity until a framework was in place for lifting the ban. "It indicated how we will proceed until the ban is lifted," he said. Mr Forth infuriated his European partners by blocking a plan to designate 1997 as the European year against racism.

The disruption brought the strongest protests yet from European commissioners and ministers, who cautioned that other European governments would soon begin their own counter-retaliation measures against Britain. Ivan Yates, the Irish Agriculture Minister, said there would come a point when

**The more they block decisions the more they risk others lining up against them'**

continental member states "get as bloody-minded as the British".

Karel van Miert, commissioner for the internal market, said Britain was a "drifting ship".

"Britain is playing with fire. The more they block EU decisions the more they run the risk of all the others lining up against them. If the impression is given that an end to the export ban depends on a political power game and not on scientific arguments or public health it will hardly reassure people about the lifting of the ban," he said.

Padraig Flynn, commissioner for social affairs, said the decision to block the anti-racism measure had brought "palpable

disappointment". He added: "This shows the bad effect of the UK policy. They stood alone and a proposal to combat racism has fallen victim to their policy."

Britain's campaign to secure the lifting of the beef ban is being conducted on three fronts. Mr Hogg's document detailing eradication measures is designed to reassure member states that Britain is instituting a concerted anti-BSE programme. The document listed culling plans, and a programme for increased monitoring. Mr Hogg said proposals were also to be made under which farmers could be convicted of a criminal offence should they be found to be keeping or using infected cattle feed on their premises. Apart from this proposal, however, Mr Hogg conceded yesterday that the document contained "nothing new".

On a second front, Malcolm Rifkind, the Foreign Secretary and Mr Hogg will today attempt to launch negotiations for a longer-term framework for lifting the entire ban. Mr Rifkind will discuss proposals in Brussels with Jacques Santer, the European Commission President, under which the ban would be lifted for exports to third countries for calves and for cattle fed on grass and cleared of BSE.

Mr Rifkind and Mr Hogg will travel to all member states over the next few days to sell their framework proposal.

The programme of disrupting EU business will continue, as the third prong of the government's strategy. Included in the measures opposed by Mr Clarke yesterday was a proposal granting money to help pay for elections in Bosnia. Among plans blocked by Mr Forth was a move to increase equal opportunities for women in industry and commerce.



## Farms with suspect feed to be fined

JOHN RENTOUIL  
Political Correspondent

The Government yesterday announced that it would make it a criminal offence for British farms to possess the suspect animal feed which could spread bovine spongiform encephalopathy (BSE), in a detailed dossier setting out its programme to eradicate BSE in the United Kingdom.

Douglas Hogg, the Minister of Agriculture, was given a cool welcome when he presented the programme to European Union farm ministers. Most of it reviews action already announced, and it seems unlikely to persuade the EU to go further than today's expected lifting of the ban on exports from Britain of the beef derivatives, gelatine, tallow and bull semen.

It is now believed that cross-

contamination in feedmills where the same machines are used for processing meal for cattle and for other farm animals is to blame for nearly 27,000 cases of BSE which have broken out since the ban was introduced for cattle.

"After the recovery of all meat and bone meal from mills and farms during June and July, its possession will be a criminal act," Mr Hogg said as the talks began.

The dossier says that the Government is paying for a "recall" scheme in the next two months to clear the last remaining supplies of the animal protein feed which was banned for cattle in 1989, but only banned for feeding to pigs and poultry in March this year.

It is estimated that cross-

contamination in feedmills where the same machines are used for processing meal for cattle and for other farm animals is to blame for nearly 27,000 cases of BSE which have broken out since the ban was introduced for cattle.

The document says Britain will start to introduce "animal passports" next month, along with new rules for "registering and tightly controlling" specialist beef herds with "a long record of freedom from BSE". This offers hope for organic farmers and smaller upmarket herds which have always been BSE-free.

The dossier does not set out the Government's plans for a "framework" for the phased lifting of the ban - the subject of a separate document out made yesterday.

The public document sets out

the Government's three main goals: "Above all, it wishes to protect consumers against any risk, however remote, that BSE may be transferred to Man. It seeks to eliminate BSE in the UK cattle herd. And it aims to prevent the transfer of BSE to any other animal species."

In return for the measures outlined in the dossier to achieve these goals, the document sets out "What Britain expects from its European Union partners". It urges member states to remember the EU's "fundamental principle" of free trade, and cautions: "As the United Kingdom works to eradicate BSE by bringing in animal passports and other controls, it expects its efforts to be reflected in early moves to a phased lifting of the EU's ban on beef and beef by-products."

## HOW TO PLAY

**QUESTIONS**  
All questions related to goals scored do not include goals scored in penalty shoot-outs.

	points value
1. Which striker from the list below will score the most goals in Euro '96?	14
2. Which striker from the list below will score the least goals in Euro '96?	13
3. Which goalkeeper from the list below will concede the least goals in Euro '96?	11
4. Which goalkeeper from the list below will concede the most goals in Euro '96?	10
5. How many goals will be scored in total in Group C, (Czech Rep., Germany, Italy, Russia)?	15
6. How many goals will there be in the England v Switzerland game?	5
7. How many goals will there be in the Turkey v Croatia game?	7
8. How many goals will there be in the Netherlands v England game?	6
9. How many yellow cards will be issued in the quarter-finals?	9
10. How many substitutions will there be in the Wembley semi-final?	8
11. How many shots on target will there be in the Netherlands v Scotland game, (figures based on ITV statistics)?	12

## HOW TO SCORE

Each of the 11 questions has a points value. If you answer any of the questions correctly you will earn the points attributed to that question. In addition to the 11 main questions you will be required to answer a tie-break question. This question does not have a points value and will only come into play should the necessary arise. The winner will be the individual who earns the most points in the competition.

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- You will use the three digit answer code to input your answer for each question into our computer telephone entry system.
- You will also be asked on our entry line to tell us verbally the total number of goals you believe will be scored in open play (not including penalty shoot-outs) throughout Euro '96 before you leave your own details. You will then receive your unique PIN number which is the only valid proof of entry. Have a pen handy to note this down.
- If you do not receive a PIN then your selection has not been registered.
- The lines are open 24 hours a day until noon on Saturday 8 June 1996. You may enter as many times as you wish and you will receive a different PIN for each entry.
- In the event of a tie between entrants, scored on the basis of the 11 answers given, the total number of goals scored in Euro '96 - as selected by each entrant - shall be taken into account. The entrant giving a figure nearest to the actual total number of goals scored in Euro '96 will be the winner.
- If you have a Pulse phone, one which makes clicking noises when you dial, then dial 0891 363 392. If you have a Tone phone, one which makes tone noises when you dial, simply dial 0891 363 391.
- By following the instructions given on the line carefully and double checking the selection

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- Competition only open to those calling from the UK using the official Independent telephone entry lines.
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- Ineligible, incomplete or incorrect selections will not be accepted as proof of entry.
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## ANSWERS

Strikers	530	Andrea Belotti	944	Massimo Oddo	573
	533	P. Schmeichel (Denmark)	945	Nicolaov	574
	535	H. Steinkov (Bulgaria)	946	Massimo Oddo	575
	536	J. Kocak (Czech Rep.)	947	Twenty-one	576
	537	Z. Zidane (France)	948	Twenty-three	577
	538	A. Gheorghe (Romania)	949	Twenty-five	578
	539	D. Bergkamp (Netherlands)	950	Twenty-seven	579
	540	J. P. Viera (Spain)	951	Twenty-nine	580
	541	G. Zola (Italy)	952	Thirty-one	581
	542	E. Domenec (Spain)	953	Thirty-three	582
	543	D. Domingos (Portugal)	954	Thirty-five	583
Goalkeepers	544	R. Benetti (Italy)	955	Thirty-seven	584
	545	V. Bošković (Croatia)	956	Thirty-nine	585
	546	V. Džudžić (Yugoslavia)	957	Forty-one	586
	547	E. Kostadinov (Bulgaria)	958	Forty-three	587
	548	A. Šarić (Croatia)	959	Forty-five	588
	549	M. Šukalo (Croatia)	960	Forty-seven	589
	550	M. Šukalo (Croatia)	961	Forty-nine	590
	551	M. Šukalo (Croatia)	962	Forty-nine	591
	552	M. Šukalo (Croatia)	963	Forty-nine	592
	553	M. Šukalo (Croatia)	964	Forty-nine	593
	554	M. Šukalo (Croatia)	965	Forty-nine	594
	555	M. Šukalo (Croatia)	966	Forty-nine	595
	556	M. Šukalo (Croatia)	967	Forty-nine	596
	557	M. Šukalo (Croatia)	968	Forty-nine	597
	558	M. Šukalo (Croatia)	969	Forty-nine	598
	559	M. Šukalo (Croatia)	970	Forty-nine	599

## the game.

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# international

**Gulf war of words:** Hezbollah 'cell' blamed for 18 months of unrest

## Bahrain accuses Iran of plotting overthrow

ADEL DARWISH  
Manama

Bahrain yesterday accused Iran of conspiring with and training a "terrorist" group to overthrow the Manama government and replace it with a pro-Iranian regime.

The Iranian ambassador, Jawad Turkabadi, was summoned to the Bahrain foreign ministry yesterday and was banded a formal protest against Iran's "intervening in Bahrain's internal affairs, encouraging, backing and financing elements to engage in subversive activities and terrorism".

Bahrain has in the past protested to Iran against encouraging subversive elements and over unfriendly broadcasts, according to a foreign ministry statement. The ambassador was told that Bahrain has already made the decision "to reduce the level of diplomatic representation between the two nations to chargés d'affaires".

"A serious conspiracy has been uncovered which reveals that an organisation known as the military wing of Hizbollah-Bahrain, together with Iranian authorities, have been plotting since early 1993 to undermine Bahrain's security and stability," an interior ministry statement said. This is the first time Bahrain has publicly accused Iran of training and backing terrorists to overthrow the pro-Western government of the Emir, Sheikh Isa bin Sulman al-Khalifa. Bahrain is the main finance centre in the Gulf, and the most liberal among Gulf countries. Women drive, work and are not forced to take up the veil. Drinks are allowed in the many bars and clubs, and nationals from other Gulf Cooperation Council (GCC) countries visit Bahrain at weekends.

The Western lifestyle, in addition to Bahrain being the Gulf headquarters of the US Navy, is anathema to Iran and Islamic fundamentalists.

Twenty-eight people are reported to have been killed in unrest that began 18 months ago and included the fire-bombing of the Meridian Hotel in January. Officials always hinted at "foreign forces" backing the terrorists but never mentioned Iran by name. In private, they nod their heads when asked if they have meant Iran, but never produced any evidence.

This time Bahrain said it has the evidence which was presented to the cabinet yesterday. "Confessions made by 29 members of Hizbollah in Bahrain," were made according to Mohammed Ibrahim al-Mutawwa, Bahrain's Information Minister. The alleged members include the leader of its military wing and the head of its finance committee, who admitted to receiving finance from Iran and planning to bring weapons and explosives to the country.

Mr Mutawwa said the accused - who are among a number of suspected terrorists arrested over the past few weeks - confessed before a magistrate. "They set up the organisation in the Iranian city of Qom in 1993 with the full financial and resources backing of Iranian authorities, the Department of Iranian Revolutionary Guard Corps and Iranian Intelligence Service," he said.

Officials said young Bahrainis were recruited and trained in Iran, before moving into training camps in Lebanon.

Small firearms were said to be found in the homes of the accused; but the officials would not say where the arms came from or how they reached Bahrain. The accused are expected to appear tomorrow on the state-controlled television to make full confessions.

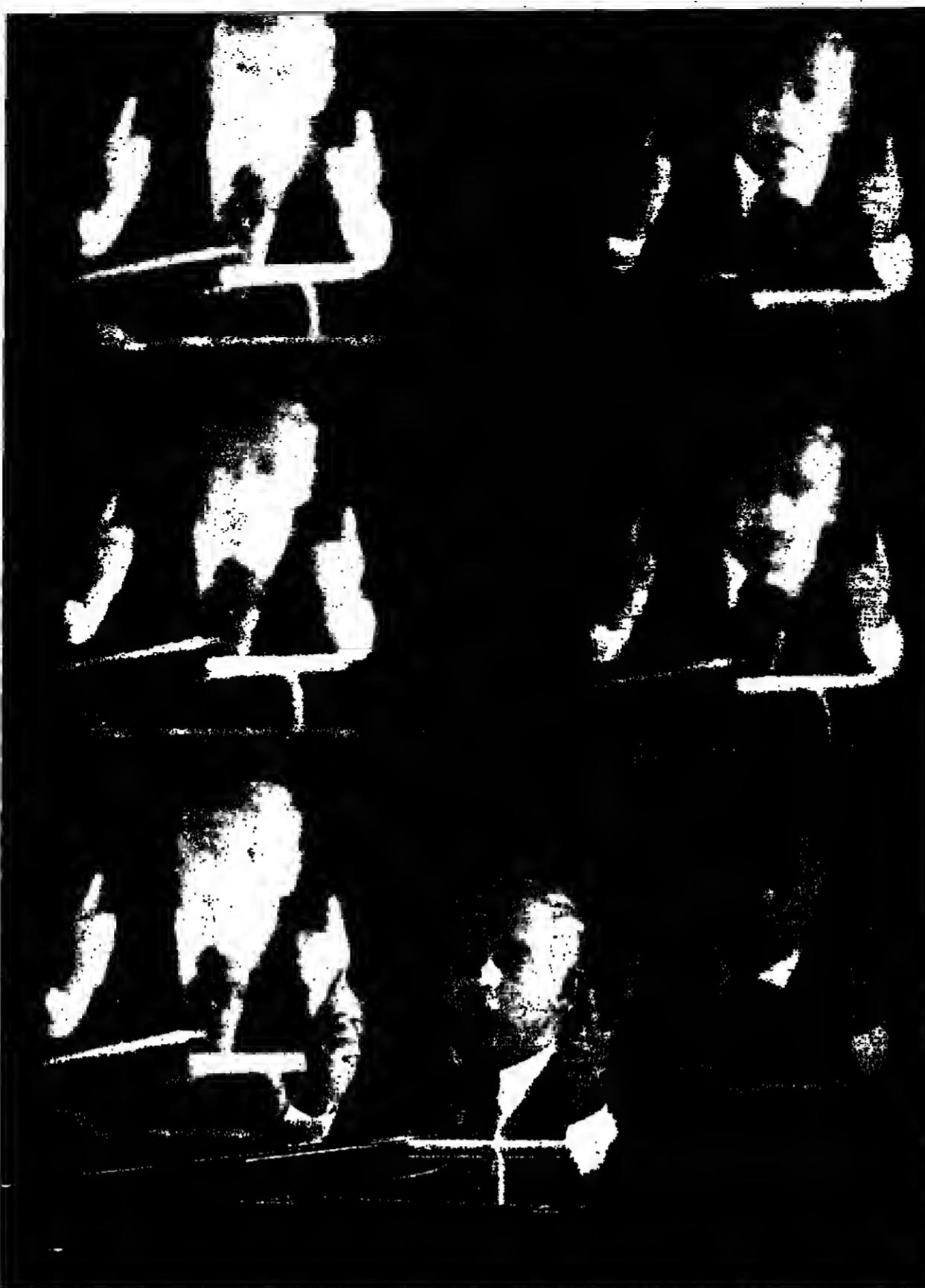
Yesterday's decision by Bahrain followed a meeting at the weekend of the six foreign ministers of the Saudi-dominated GCC, of which Bahrain is a member, along with Kuwait, Qatar, the United Arab Emirates, Oman and Saudi Arabia.

The GCC issued a strong statement supporting Bahrain and warning Iran against interfering.

Bahrain has been urging the Lebanese authorities to help cut out support from Lebanese Hizbollah to Hizbollah-Bahrain, which was established with Iranian help in 1993, has no direct link with the unrest.

Arab diplomats say Bahrain wants to enlist the support of Syria, Iran's main Arab ally. Bahrain is always sensitive to the policies of Iran's Shia government. The majority of Bahrain's population are Shia but no official figures are available, as such distinction is forbidden.

There has been no comment from the Iranian Embassy here.



Winning image: Binyamin Netanyahu at his victory rally where he pledged to continue Arab peace talks. Photograph: AP

## Search for bodies of Western hostages begins in Kashmir

TIM McGIRK  
New Delhi

A search began yesterday in the Kashmiri mountains for the bodies of four western hostages, including two Britons, said to have been executed by rebels.

A rebel commander, caught by the Indian authorities, claimed that the British tourists, along with a German and an American, were shot dead in December because they were slowing the kidnappers' escape from their pursuers through the snowy Himalayas.

Indian security forces, along with experts from Scotland Yard, the FBI and the German Federal Police, yesterday began surveying the dense pine forests near Margam village, in southern Kashmir, for any trace of the bodies.

Indian authorities said the focus of the hunt for the bodies has been narrowed down to "several square kilometres" of forest after the captured militant commander, Nazir Mohammed, was flown over ravines and mountains above Margam on Friday. Official

sources said the search may last for two and a half weeks.

In New Delhi, a British High Commission spokesman said: "We still haven't given up hope that they're alive. We're following up other leads as well."

But the Foreign Office has notified the families of the two British hostages - Keith Manigan, 32, from Middlesbrough and Paul Wells, 23, from Nottingham - that the testimony of the captured rebel commander seemed credible enough to begin scouring forests for the tourists' graves.

At least 50 Indian soldiers are helping the Western experts, as well as giving them protection against a possible attack by Kashmiri insurgents. The tourists were kidnapped by Al-Faran rebels while trekking last July in the Kashmiri Himalayas.

Al-Faran, an extremist Islamic group, was demanding the release of 15 Kashmiris held in Indian jails, but India refused to comply.

Western diplomats who joined in four interrogation sessions with Mr Nazir in the Kashmiri capital, Srinagar, said

## Hebron people suffer in the name of peace

PATRICK COCKBURN  
Hebron

Early yesterday morning Walid Mohammed Abu Damash, a 30-year-old farmer, was weeding his vegetables in the field in front of his house on the outskirts of Hebron. "Suddenly two Israeli officers turned up and said they were going to build a road over my land," he said. "We asked if we could have time to pick the vegetables, but they said 'no'."

A few minutes later three yellow Caterpillar bulldozers and two mechanical grabs, guarded by a squad of soldiers, tore up Mr Damash's field, heaping the reddish earth into a mound. Watching from a track 20 yards away Mr Damash said: "There are 20 people in my family and we all depended on that land." Beside him his 60-year-old uncle, Abed, wiped his eyes as he watched the bulldozers.

Even before Binyamin "Bibi" Netanyahu, the right-wing Likud leader, was elected prime minister of Israel last week the situation in Hebron was bad. The demolition of Mr Damash's field was agreed by the Palestinian Authority and its leader Yasser Arafat as part of the Oslo 2 accord whereby Israel would build roads for its settlers over Palestinian land, and, in return, would partially withdraw its soldiers from Hebron.

The bypass roads already cut swathes through the vineyards around Hebron, a city of 100,000 Palestinians, but the election result puts in doubt the Israeli pull-out from 85 per cent of the city. This was delayed because of the suicide bombings in Israel and further postponed because of the election. Mr Netanyahu said he was against a pull-out, but would fulfil Israel's international obligations.

Deciding what to do will be his government's first big decision.

Palestinians say Israeli soldiers and settlers have already become more aggressive since Mr Netanyahu won. They say settlers danced and sang outside

the Tomb of the Patriarchs to celebrate his victory, making it impossible for Muslims to pray in the al-Ibrahimi mosque which shares the same site.

Yesterday, Israeli soldiers were stoned by Palestinian boys when the soldiers stopped a Palestinian police car which was legally driving down Shalich Street in the city centre. Mohammed Marakab, who owns a grocery store, said: "The soldiers threatened to throw my goods into the street unless I and the other shopkeepers closed." Hanif Abedo, 19, working in a shoe-makers, showed bruises on his face where he said he had been hit with a rifle butt.

It is not much by the standards of the *intifada* but things could get a lot worse. Khalid Amayreh, an Islamic writer living in Hebron, believes they will. He thinks Israel will redeploy its forces, but any good this will do will be marginalised by a massive intensification of settlement. There are already 400 settlers in the heart of the city whose spokesman says he wants thousands of Jewish families to join them.

Mr Amayreh is not wholly displeased with what he sees as the likely unravelling of the Oslo accords. He said: "There is a very wide gap between the maximum that Likud is likely to offer and the minimum that Labour can accept."

Down at the "Prisoners' Club", Mohammed Hourani, a senior member of Mr Arafat's Fatah organisation, does not disagree. "Netanyahu wants conversations but not negotiations about peace," he said. He did not think Mr Netanyahu would send troops into the Palestinian enclaves, but would seek to control them from outside.

Mr Hourani also feared Likud would try to sideline the Palestinian leadership by doing a deal with Jordan. "The situation with Labour wasn't ideal but it was possible to achieve some things," he said. "I don't think this is true of Likud."

Letters, page 13

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## international

# Florida waits for a whisper of an ill wind

Miami — Arthur. The name sounds harmless enough, hardly that of a mass killer and home-wrecker. But then again, that's what they said about Andrew.

Down the eastern US seaboard and on the Caribbean islands, everybody is waiting for Arthur. That is the name assigned in advance to the first tropical storm of the 1996 Atlantic hurricane season, which began on Saturday and lasts until November.

He may yet even be a whisper of wind off north-west Africa and he may grow to nothing more than a tropical storm with 40mph gales. On the other hand, he might just blossom into a hurricane with winds of 130mph, like Andrew, the scourge of southern Florida in 1992.

Last year's first hurricane of the season, Allison, was the earliest in recorded history, battering Florida in the first week of June.

Once Arthur has been and gone, he will be followed by a "female" storm, Bertha, according to a pre-agreed alphabetical list of alternating men's and women's names. Next will be Cesar, then Dolly, Edouard, Fran, Gustav, Hortense, Isidore, Josephine, Kyle, Lili, Marco, Nana, Omar, Paloma, Rene, Sally, Teddy, Vicki and Wilfred. The letters Q, U, X, Y and Z are always left out. The names are meant to be "politically correct," reflecting the cultural diversity of the eastern US and Caribbean.

(Tropical storms were all named after women for the quarter century until 1978, the height of the women's liberation movement, when US weatherpersons bowed to pressure and agreed to use alternating men's names).

After the second-worst storm season in history last year — with 19 tropical storms, 11 of which became hurricanes — meteorologists in the US and the Caribbean are bracing for another bad year. Some fear global warming and other climatological changes could produce more and stronger hurricanes and, with them, deadly tornadoes, wave surges and the flooding of highly populated beach areas.

That image is relayed from

The start of the annual hurricane season is a tense time for millions of Americans, writes Phil Davison

A report by the US Environmental Protection Agency (EPA) predicted that global warming would bring more powerful hurricanes, driving larger surges of water and raising the Atlantic Ocean by six inches over the next 30 years. That may not sound like much but it could prove catastrophic in low-lying US coastal areas where more and more people — often elderly — are taking up residence.

"Global warming is real and is already having an effect," a geologist, Harold Wanless, told the *Miami Herald* newspaper. "We are at the beginning of a catastrophic revolution for low-lying and coastal areas."

The busy city of Miami Beach is little more than a long sandbar connected to mainland Miami by causeways. Yet, despite Florida's vulnerability and track record, authorities have serious problems convincing residents to prepare. In a recent poll, almost 60 per cent of Florida residents said they would not evacuate in the face of a major hurricane.

During evacuation warnings last year, surfers took to the waves and you could even see people trying, with some difficulty, to light barbecues on the beach.

In the National Hurricane Centre, outside Miami on the edge of the famous Everglades swamps, some 80 meteorologists are preparing for the onslaught. Whatever happens, they are in the best place. The concrete, one-storey centre was built to withstand not only the worst hurricanes but even missiles, since it is designed to be a bunker and nerve centre in the event of any disaster. Inside is a generator and fuel and food supplies for its staff for 10 days.

When Arthur and successive storms approach, Dr Bob Burpee, the centre's director, will again become a familiar face in the US and, via CNN, around the world. Beside him will be a large-screen monitor showing an image of a cartwheeling blob in the Atlantic.

That image is relayed from

two geostationary satellites, meaning they are in orbit at the same speed and direction as the earth, so that their images appear to be taken from a stationary point.

Back-up to the satellite images comes from the so-called "Storm Trackers," an intrepid group of US air force personnel and scientists who fly planes into hurricanes to get vital information. Crew members are strapped into special harnesses like motor racing drivers while the hurricane tosses their plane up, down and sideways.

"You get the crap kicked out of you and you think you're going to meet your maker," said

John Pavone, the man in charge of the "Storm Trackers".

This season the trackers took possession of a new Gulfstream jet which will allow them to fly through the "head" of hurricanes, typically at a height of around 40,000ft. Until now, the air force's converted WC-130 Hercules transport planes and the scientist's Orion turboprops have been able to fly at only half that height.

The higher view, say the experts, will allow them to improve by around 20 per cent the accuracy of their predictions as to where a hurricane will hit land. Such information can be vital for saving lives.

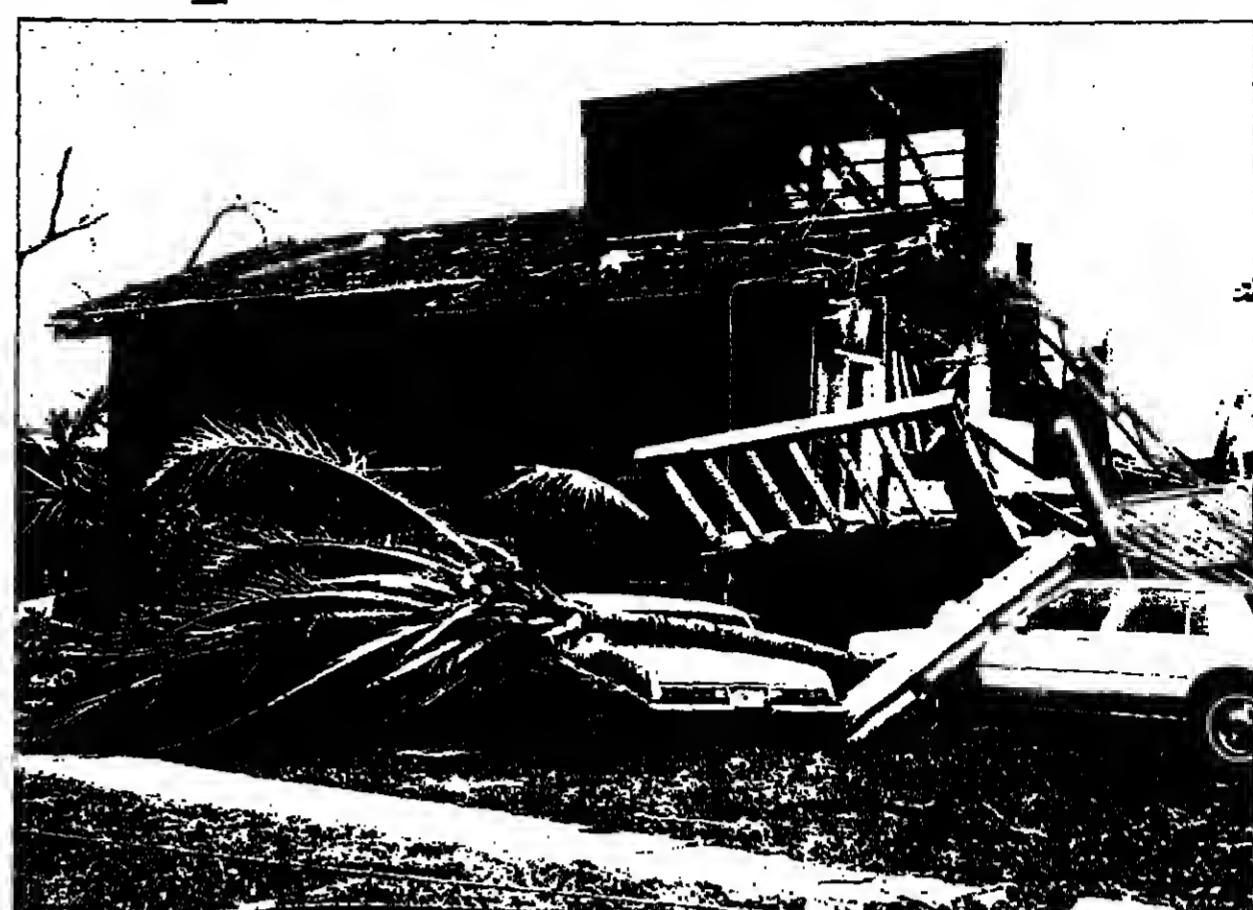
## SIX STORMS THAT SHOOK AMERICA LAST YEAR

**Hurricane Erin** slammed into the so-called panhandle area of northern Florida in early August, with 85mph winds, killing 11 people.

**Hurricane Luis** caused winds of up to 140mph in early September, causing widespread destruction on Puerto Rico and the rest of the Caribbean.

**Hurricane Marilyn** devastated the US Virgin Islands in mid-August, flattening 80 per cent of homes on St Thomas.

**Hurricane Opal** battered Mexico in early October, killing 12 people. Then it suddenly veered north to kill dozens more along the US Gulf coast.



Blown away: Destruction in the wake of the 130-mph Hurricane Andrew in Miami in 1992

Photograph: KUT

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**Spain and Morocco are heading for a clash over the status of the Western Sahara, a former Spanish colony that was the setting for a war between Morocco and the Polisario Front for much of the 1980s. Spain said yesterday that it was worried about a United Nations' decision to suspend voter registration in the Western Sahara. In a foreign ministry statement, Spain said it was concerned a 1991 ceasefire in the territory might come under pressure, and it urged speedy resumption of its identifying voters for a long-delayed referendum on its status. The UN Security Council voted last week to suspend registration because of a continuing dispute between Morocco and the Polisario Front on who may vote. Reuter - Madrid**

**South Korea's finance world has been stunned by the arrest of the country's top fiscal watchdog, with little stock investors dumping shares over fears of another damaging corruption scandal. Park Won-tu, 56, another former finance minister, was detained on Sunday on charges of taking a bribe and defrauding investors of 110 million won (£91,500) in bribes from 10 domestic companies between October 1994 and March this year. As director of the Securities Supervisory Board, he was responsible for ensuring fairness in listing, trading securities houses and investment trusts. Reuter - Seoul**

## obituaries/gazette

# Leon Garfield

Leon Garfield was one of the leading children's writers of his day, and a reteller and adapter of Shakespeare's plays. He described his aim as a novelist as being "to write that old-fashioned thing, the family novel, accessible to the 12-year-old and readable by his elders".

He was best known for a dozen or so novels of adventure set in an 18th-century London of his own idiosyncratic devising. He was the first winner of the Guardian Award for Children's Fiction with *Devil-in-the-Fog* (1966), won the Carnegie Medal with Edward Blishen for a retelling of the Greek myths, *The God Beneath the Sea*, in 1970, a Whitbread award in 1980 for *John Diamond*, and became a Fellow of the Royal Society of Literature in 1985.

Garfield was born in Brighton and went to Brighton Grammar School. He was briefly an art student before joining the Army and serving for five years of the Second World War. His army career, he wrote, was "distinguished by a steady adherence to the rank of private in the Medical Corps", and af-

ter the war he became a technician in a hospital biochemistry department. His first published book, *Jack Hobson*, in 1964, was intended to be an adult novel, but a gifted editor, Grace Hogarth of Constable, saw its possibilities as a children's book and persuaded him to revise it.

*Jack Hobson* was an exotic story of murder, treachery, shipwreck and ultimate fortune in the best Stevensonian tradition, and it projected Garfield straight into the front ranks of children's writers. His next few novels were mostly set in 18th-century London and included, notably, *Smith* (1967), whose eponymous hero was a 12-year-old pickpocket, "a sooty spirit of the violent and ramshackle town [who] inhabited the tumbling mazes about fat St Paul's...". The most his thousand victims ever got of him was the powerful whiff of his passing and a cold draught in their dextrously emptied pockets.

Garfield's London is a world in which quickness of hand, foot, eye and wit are more to be relied on than the rule of law; in which great and small rogues

are forever busy and the Devil is there to take the hindmost. It is in part the London of Hogarth and Fielding, and in part looks forward to that of Dickens, but in the main it is a construct of his own exuberant imagination: Garfield country.

While he is essentially a Londoner of letters, however, the novel which best displays a gift for comic writing is *The Strange Affair of Adelaide Harris* (1971), set in his home town of Brighton and featuring Dr Bunton's Academy for the Sons of Gentlefolk and Merchants. Stylistically, his writing in these novels is as exhilarating as his plots; his images are extravagant but apt; his vocabulary is strongly coloured and he scatters similes like brilliant litter.

Later Garfield novels, from the mid-1970s onwards, developed greater depth and increasingly became general rather than specifically "children's" fiction, though still appearing on the children's lists. *The Pleasure Garden* (1976), the cycle of stories called *The Apprentices* (1976-78) and *The Confidence-Man* (1978) were



Garfield: master storyteller

concerned with religious issues and were much influenced by the Bible, which he declared to be a far richer source of inspiration than the Norse and Celtic mythologies then in vogue. *The Pleasure Garden* is set in a seedily commercial Eden into which murder intrudes: a kind of *Paradise Lost*. In *The Confidence-Man*, a rogue and charlatan leads a band of persecuted people to their promised land; he is an unlikely saviour created by faith.

From the 1980s onward,

Garfield moved away from his previous range: he completed Dickens's unfinished *The Mystery of Edwin Drood* (1980), wrote an adult novel of his own, *The House of Cards* (1982), compiled two volumes of retold Shakespeare plays, and scripted condensed cartoon versions of Shakespeare plays which were produced by a Russian animation studio. His fiction for the children's list, however, remains his chief achievement.

Garfield's personal aspect was of warmth, welcoming and brilliantly talkative friendliness, and it was mystifying that as a writer he showed an understanding of worldly duplicity far removed from his own character. He had some traces of the dandy, with a liking for bow ties and velvet jackets, and he owned a succession of large and overwhelmingly affectionate dogs. His wife, Vivien Alcock, is an established writer of books for children.

John Rowe Townsend

Leon Garfield and I were friends for about a quarter of a century, writes Russell Hoban.

We'd meet from time to time at Il Fornello near Russell Square to exchange current pages and encourage each other over *pizza della casa* and beer. We talked about money, reviews and the lack of them, the decline of Western culture, as manifested by writers who got bigger advances than we did, and in any pauses he'd talk Shakespeare and I'd listen.

He was a master storyteller: you could give him a page from the telephone directory and he'd weave a plot taking all of the characters - each of them vividly realised - through a series of exciting events to a satisfying resolution.

Supernatural stories are my favourite reading and I know of none more haunting than his *The Ghost Downstairs*, published in 1972. I don't think it's had the recognition it deserves, perhaps because it's more for adults than for children. In it Mr Dennis Fast, a solicitor's clerk bedevilled by envy, loneliness and dreams of wealth, does battle with the mysterious Mr Fishbane who lives downstairs.

Fast writes a contract in which,

for the sum of one million pounds, he sells Fishbane seven years off the end of his life, stipulating cunningly in the small print (unread by Fishbane) that the seven years are to be deducted from the end of his life, his childhood. From then on Fast is haunted by the ghost of himself as a child and drawn into a desperate pursuit, to the spectral accompaniment of a stick tapping a rusty rolling hoop, of his childhood soul, "his dreams, yearnings and the very springs of his desire".

It is a story like Leon Garfield, full of darkness, shifting lights and sly humour, not to be forgotten.

Some 30 years ago I wrote to Leon Garfield after reading a story of his that appeared in the same collection as one of my own, writes Helen Cresswell. He immediately telephoned (Leon never, to my knowledge, ever wrote a letter). Soon after that we met and our long friendship began, despite the hundred odd miles that divided us. We shared family holidays and lat-

er, as the children grew up, shorter breaks, when we went antique hunting. There was lots of whisky and lots of laughter.

It was his practice, whenever we met, for him to present me with the rough typescript of his work in progress. He would then sit me down with the obligatory Scotch and watch me read. At such times one felt privileged but unnerved.

Leon Garfield was hugely knowledgeable, ranging from opera to old movies and, of course, Dickens and Shakespeare. But he carried his erudition lightly, and was incapable of writing or uttering a dull word. He was one of the funniest people I have ever known, as well as the most warmly sympathetic and generous.

I think it was Molly Keane who said that she always divided people into radiators and drains. Leon was unequivocally, and triumphantly, a radiator.

Leon Garfield, writer: born Brighton 14 July 1921; FRS 1953; married 1949 Vivien Alcock (one daughter); died London 2 June 1996.

## Margaret Rawlings

What became of the tragedian who used to enthral us in the Greeks, Shakespeare or Webster? Margaret Rawlings was probably the last, and somehow one of the loneliest. She made her own translation of Racine's *Phèdre*, and staged it, after disappointing herself in an earlier one. She was apt to erupt as Jocasta in Sophocles or as Helen in *The Trojan Women*, somewhat in the spirit of that other and even finer tragedienne, Sybil Thorndike - and, as often as not, in the provinces.

The English playgoer likes to keep his tragedies at a distance; Margaret Rawlings liked to come face to face with them. Anyone who saw such confrontations in the 1940s - Lady Macbeth, for example, to Alec Clunes's Macbeth, or Vittoria Corombona in *The White Devil* to Robert Helpmann's Flaminio, will have had a taste of her quality.

Mind you, she had been other things than tragic. No actress can perpetuate tragedy throughout a stage career as long as hers - 1927-83 - without stooping. Consider her *Salamone* (Gate Theatre, 1931) which set the town alight with its dance of the seven veils. People fainted as she danced.

Has there been anything as erotic since? I speak from reports, of course, of Ninette de Valois' choreography as well as of the performance. It made her name. But Rawlings was not only in the name-making business. She also had dramatic ambition. That was obvious from the word go.

The daughter of a clergyman who ran an English school in Japan, she went to Oxford High School and Lady Margaret Hall, and did her training for the stage with a once-famous company which did nothing but tour the plays of Bernard Shaw.

Rawlings also toured Canada and the United States with Maurice Colbourne's largely Shawian company; and after a success on Broadway in a play about the Irish leader Parnell she came back to the Gate as its star - Katie O'Shea. It may not have been much of a play, but Rawlings "forced some red blood into the play's white arteries" and a transfer to the West End (*New*, now *Albery*, 1936) established her.

Meanwhile, though, she had caught the town's fancy as Charmian in a disastrous West End revival of *Antony and Cleopatra*. Inadvertently, of course, the Cleopatra was Eugenie Leontovich, the Russo-American star of Tovarich, at dramatic sea as Cleopatra because of her garbled English.

No one joked about Rawlings, however. When Cleopatra at last expired, a palace guard turned to her and said: "Charmian, this is well done?" In a sonorous voice, Rawlings spoke with some authority: "It is well done, and fitting for a princess descended of so many royal kings."

Whereat the long-suffering audience suddenly realised how much more fitting Rawlings would have been as Cleopatra. As James Agate put it: "The cleverest thing about her Char-

mian was that she refrained from wiping Cleopatra off the stage until she was dead."

Rawlings never played Cleopatra, but she did play Lady Macbeth for the Oxford University Dramatic Society - it was the fashion then for West End actresses to act occasionally for the Ouds - and Helen in *Euripides' The Trojan Women* (Adelphi, 1937), which Lewis Casson revived for his wife Sybil Thorndike (as Hecuba) and daughter Ann Casson (as Cassandra).

Rawlings was in her element. She was also in love with Charles Morgan, the novelist and chief drama critic of the *Times* who wrote his first play for her, *The Flashing Stream* (Lyric, 1939). It was a typically highbrow study of platonic passion between two mathematicians working on a secret new flying torpedo to save England from aerial attack - and work must come before sex.

The play was a success and transferred to Broadway. Rawlings was praised on all sides for her emotional and spiritual integrity. The dramatic point was that the couple were not cold by nature but passionate and sexually experienced (and the point for gossips was that the author and his leading lady were in love and that year Rawlings and her first husband, the actor Gabriel Toynie, divorced).

In the 1950s she cut a striking figure on the small stage of the Duchess Theatre - her ivory skin and flowing black hair like ivory studded with jet. The young Kenneth Tynan decided it was the most tragic acting he had seen in a woman - though he had seen Peggy Ashcroft's *Duchess of Malfi* a few seasons earlier.

Rawlings kept on acting for another 30 years - in Shakespeare (*Gertrude in Hamlet*), Shaw (*Lysistrata* to Noël Coward's King Magnus), Ibsen (*John Gabriel Borkman*), Chekhov (*Uncle Vanya*) and Wilde (*Lord Arthur Savile's Crime*) and in the cinema and on television.

But Racine's *Phèdre* was probably her favourite role. She made a translation of it for herself which I saw on the first night at Oxford Playhouse (1968) with Michael Gough as Theseus. Now I wish I had returned later in the run.

In the 1970s she undertook at the age of 72 the long solo part of *Empress Eugenie* (Mayfair and Vaudeville, Cologne, Pitlochry, Charleston...), a one-woman show about the extravagant wife of Emperor Napoleon III of France, a performance rich in variety of mood, pace, inflexion and salty burlesque.

Three years later Alice Clunes's Macbeth at the Arts Theatre did not create a sensation: but when one critic, Audrey Williamson, saw the production at the end of its three-week run it was different, especially Rawlings as Lady Macbeth.

Already busy, Rawlings found herself more in demand than ever, if not for tragedy then for comedy (*Pymallion*, *A House in the Square*, Gielgud's revival of *Dear Brutus*, Gwen-

staging of *Tambourine the Great*, with Donald Wolfit in the title-role, Rawlings became aware of Wolfit's little upstage tricks, if he happened not to be in the limelight. Exasperated, she told him: "Donald, if you do that again I shall rattle my chains all through your long speech."

Rawlings kept on acting for another 30 years - in Shakespeare (*Gertrude in Hamlet*), Shaw (*Lysistrata* to Noël Coward's King Magnus), Ibsen (*John Gabriel Borkman*), Chekhov (*Uncle Vanya*) and Wilde (*Lord Arthur Savile's Crime*) and in the cinema and on television.

She is loud, demonstratively plangent and convincingly voluptuous: a plump, pallid nymphomaniac. And such control! In the great trial scene she eschewed pathos and gave us in its stead anger, mettlesome and impetuous. A stalwart piece of rhetoric and beautifully spoken.

Michael Redgrave used to say that the history of the British stage was the history of first nights when all actors are judged and some (like Redgrave) seldom at their best. It was so with Rawlings.

Three years later Alice Clunes's Macbeth at the Arts Theatre did not create a sensation: but when one critic, Audrey Williamson, saw the production at the end of its three-week run it was different, especially Rawlings as Lady Macbeth.

Already busy, Rawlings found herself more in demand than ever, if not for tragedy then for comedy (*Pymallion*, *A House in the Square*, Gielgud's revival of *Dear Brutus*, Gwen-

As James Agate put it: "Rawlings, as Bianca Capello in Clifford Bax's *The Venetian*, 1931. Photograph: Hulton Getty

## Cliff Holton

Only four men since the Second World War have scored more goals in English League football than Cliff Holton, though the big, burly Oxonian never scaled the giddy heights predicted for him as a young Arsenal star during the early 1950s.

In mid-decade, as he stood on the threshold of his prime, he suffered a plateau in his development which saw him converted into a half-back, then dispatched to the lower divisions for the remainder of his career. However, his response was both spirited and emphatic: return-

ing to his striking role, he contributed a further double-century of strikes over the subsequent nine years, becoming a cult hero at several clubs in the process.

Surprisingly, Holton had begun his football life as a defender, serving Isthmian League Oxford City for a full-back before joining Arsenal in 1947. It was not until 1950, after National Service in the Army, that he was switched to centre-forward and he earned a place in the Gunners' senior side in the spring of 1951. Im-

posing, strong and far quicker than was suggested by a rather ungainly, loping gait, Holton adopted a rampaging style which unsettled opponents. He wasn't a bad passer either, but he was most famous for his thunderous power of shot in either foot, which accounted for many of his goals.

This enviable catalogue of attributes brought encouraging progress in 1951/52, though disappointed at Wembley as an injury-ridden Arsenal lost the FA Cup Final to Newcastle. The following campaign ended in

glory, though, Holton's 19 goals in 21 outings helping to secure the League Championship, and the promising 24-year-old was spoken of as an England international of the future.

Alas that was not to be. Thereafter the Gunners began to labour and in 1954/55 Holton lost his birth to the ageing Tommy Lawton. A year later, having been switched to left-half, Holton was restored to the side and became captain for a spell. But despite dogged service in various roles, he was judged surplus to requirements

as the new manager George Swindin sought to revamp a lacklustre team. Holton was sold to Watford for £9,000 in October 1958.

He was 29 by then and many believed that his best days were behind him. In fact, he was about to enter his most productive period. After taking a little time to settle at Vicarage Road, he became one of the most revered figures in the Hornets' history, netting a club record for one term of 48 League and FA Cup goals as he skippered them to promotion

from the Fourth Division in 1960. When he left for Northampton in 1961 - Watford reckoned he was spending too much time on business interests - there were protest petitions from outraged fans, whose judgement was soon borne out. Just five hours after joining the Cobblers on a Saturday morning, Holton had scored a hat trick for his new employers. Watford then struggled unexpectedly for the rest of the season. Later, Holton's goals helped both Northampton and

Crystal Palace gain promotions, and he went on to net regularly in a second spell at Watford in 1965/66, then for Charlton Athletic in 1966/67, before a gammy knee forced retirement in 1967.

A forthright and articulate individual, Holton seemed ideal soccer management material but was preferred instead to concentrate on a precision engineering business, which he ran until 1989 before working part-time in sports marketing.

Cliff Holton's tally of 293 League goals in 570 appear-

Ivan Postling

Clifford Charles Holton, footballer: born Oxford 29 April 1929; played for Arsenal 1947-53; Watford 1958-61, 1965-66; Northampton Town 1961-62; Crystal Palace 1962-65; Charlton Athletic 1966; Orient 1966-67; died 30 May 1996.

No political asylum for Algerian terrorist  
LAW REPORT

4 June 1996

... political opinion". He belonged to a banned political organisation, Algeria called the Islamic Salvation Front or FIS (Front Islamique du Salut) and had been involved in the bombing of an airport in which 10 people died and an attack on an army base in which one person died.

The House of Lords dismissed an appeal by an Algerian man, referred to simply as T, and affirmed the decision of the Court of Appeal (Law Report, 4 November 1994; [1995] 1 WLR 545) that the Home Secretary had been entitled to refuse T's application for asylum.

T admitted he was an illegal entrant but claimed asylum under article 33(1) of the Geneva Convention on the Status of Refugees 1951, on the ground, which was not disputed, that his life or freedom would be "threatened on account of his

political opinion". He argued that it was inappropriate to characterise indiscriminate bombings which led to the deaths of innocent people as political crimes. Giving the judgment of the court, Lord Justice Gliddell had said:

In our judgment the airport bombing was a crime.

Another important source, though not having the force of law, was the *United Nations Handbook on Procedures and Criteria for Determining Refugee Status*. Paragraph 151 stated:

Paul Magnath, Barrister

### Births, Marriages & Deaths

#### BIRTH

## the leader page

## A reminder that it's tough at the bottom

The Joseph Rowntree Foundation is not just the country's foremost sponsor of research into housing and social conditions. Its endowment comes from a businessman who saw no disparity - why should he? - between making chocolate profitably and actively pursuing an ethic of social concern. Right-wingers typically and mistakenly criticise the foundation for pursuing difficult (ie, politically controversial) subjects, such as poverty. It is bound by Joseph Rowntree's trust deeds saying his money was to be put to use not to relieve distress directly but, as he put it, to seek out the causes of social evil.

Edwardians were unafraid to use that term to describe poverty. We find it too strong. Poverty nowadays has become technical - a mass of complicated social security arrangements. It abounds with relative judgements - is possessing what was once a luxury, such as a video, now a necessity? (There is a strong case for saying it is.) We have all bought wholesale into individualism. We may no longer believe Protestant religion but still love its notion of desert. Who is going to put money in a tin for "the poor" without asking in detail about the moral quality let alone the smoking and drinking habits of those who get it?

The decline of the Child Poverty Action Group is illustrative. A generation ago television producers would

fight to include its spokespeople; volunteers would queue up to work for it. Nowadays it is an obscure interest group. Poverty is out of sight, out of mind.

There are all sorts of reasons why. Latterly many have felt squeezed and insecure. The sound of middle-class complaint has filled the air. We are all sufferers now. Of course that's not true. A big Joseph Rowntree Foundation study last year showed the trend towards greater inequality in the distribution of income that has been rolling since the early 1980s. There is no reason to believe it has suddenly come to a halt.

The poor themselves stay quiet. The great fear of the political class in 19th-century and early 20th-century Britain, that the poor would rise up out of their rookeries and back-ends and march up the Strand, has no end-of-century resonance. "It took a riot," wrote Michael Heseltine in 1981, but what he concluded (rightly) was that special action was needed on Merseyside and in the cities, not in the bowels of an ever more complex social security empire. None of the urban disturbances of the past 15 years has raised the stakes to make poverty a social and political question in the way they have focused concern about more specific, less abstract questions - estates, policing, drugs and, to a limited extent, employment and training.



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In such a context it can only be healthy to be reminded that a large body of British citizens live on amounts some of the rest of us would consider loose change. All credit to Michael Grade and Channel 4 for opening their schedules for a series of programmes about the poor, pegged to today's JRF report. (Mr Grade will doubtless, once again, be attacked by the *Daily Mail*; he should flick his cigar ash and keep up the good work.)

And yet there is a paradox here. Both the report and the programmes are intent on dispelling the idea that the poor are deviant. Their values are the

same as ours; they are the same as us, except for money. Poor people cope heroically. They box and cox, shop carefully, manage debt in ways that would leave the credit card-holding majority breathless. This kills a stereotype but plays havoc with the politics. If the poor cope as well as they do, why worry? We evidently don't. There is no possibility - in the foreseeable political future - of any major act of income redistribution along the lines, say, of re-linking income support with earnings rather than prices, or pushing income support up by some amount (£15?) that would make the life of the poor more

comfortable. No possibility, that is, short of moral revolution or mass conversion to egalitarianism. There is equally no possibility of "policies to end mass unemployment" as the report coyly calls them - this is indeed a report bereft of macroeconomic reality.

Which does not imply fatalism of the poor-are-always-with-us sort. (It is amazing how many people can remember that bit of Christian scripture when so few other relevant verses lodge in their brains.) What it does mean is that policy can only be developed on behalf of specific groups, where the public can be convinced that transfers between the haves and the have-nots are well spent, not across some broad anti-poverty front. (Of course policies for poverty are not all about money, as the JRF report makes clear. For example, the privatised utilities have too often proven themselves stiff-necked and downright mean about consumer debt and cut-offs; they could afford to be a little more generous without offending shareholders.)

"Poverty", "low income", "social exclusion" - whatever the euphemism - they are not going to move political mountains any longer. What is needed is argument in detail. Universalism is indeed dead. Programmes and policies have to be targeted. For example on lone mothers, many of whom are poor. By chance the Joseph Rowntree Foundation has just pro-

duced new research showing - a tribute to Tory policy this - how high, relative to other countries, are benefits paid to mothers who get jobs. Yet the proportion of lone mothers who work is oddly low. The problem is child care. There would, *prima facie*, be large benefits from expanding public or voluntary or voucher-backed private provision of childcare places. Fewer women and children would be poor. And that is good for them, good for business, and good for us.

## Dog days for the posties

Barbara Woodhouse, the Post Office needs you, the "dog daze" - mini stun guns - issued to postmen don't work. Every year some 6,000 of them get bitten - knocking £2m off the Royal Mail's mounting profits. The Communication Workers Union wants new laws. But the statute books are already groaning with anti-canine legislation, most of it ineffective. The posties could try direct action. Gangs of them could hide while their mate braces the garden path then rush out and assault the beast with their sticks. Better still, stuff the householder's mail into the creature's jaws and let it bite and chew to its doggy heart's content.

## LETTERS TO THE EDITOR

## Democracy in a confederal Europe

Sir: Politicians are always calling for a great national debate on the future of Europe. Yesterday the *Independent* started one ("Britain and Europe: a proposal", 3 June), but as a debate is nothing without dissent, in that spirit I would make two observations.

First, your grounds for rejecting EMU - with all the benefits you admit it could bring - are unnecessarily defeatist.

Certainly, European monetary union will place restrictions on the monetary freedom of member states; it would not work if it didn't. Equally plainly, therefore, it must only go ahead with the consent of the public at large. That consent can be ascertained through a referendum. Uniquely, among the three main political parties, the Lib Dems have long supported a referendum on any major package of constitutional changes proposed for Europe. Given a "yes" vote in such a referendum, there is no reason why EMU could not proceed.

Second, the *Independent* rightly identifies Europe's democratic deficit as its key failing, but then proposes a solution that would only make it worse. The heart of that democratic failure lies in the unaccountable Council of Ministers - the very body the *Independent* suggests should be strengthened.

To imagine, as you do, that this will boost national parliaments is simply bizarre. The Council of Ministers has always drawn its British members from the Cabinet, but this has done nothing to enhance the status or effectiveness of Parliament as a whole. Rather the reverse - as power has drained away from Westminster, MPs have become ever more spineless in their ability to hold ministers to account.

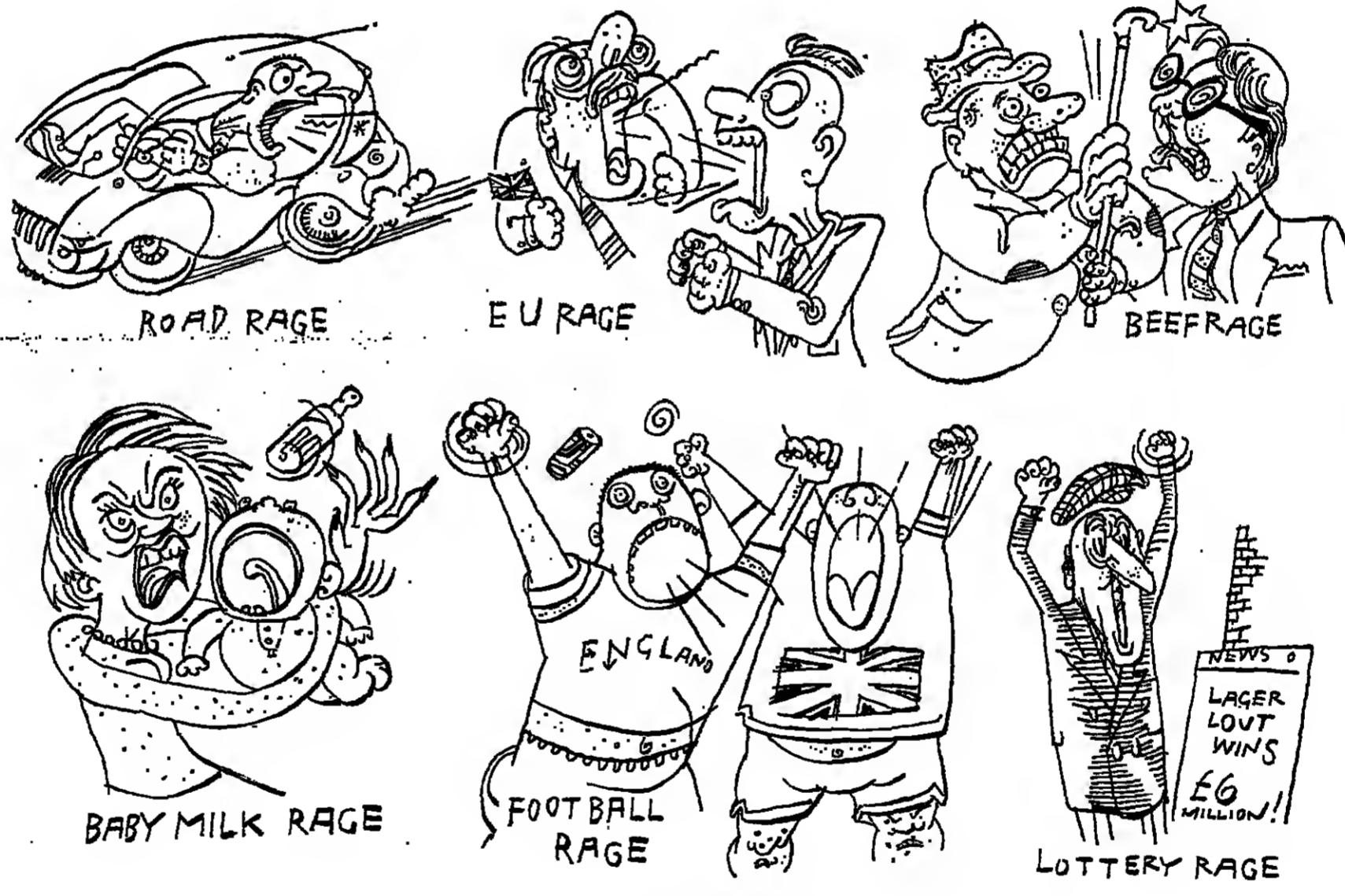
Giving yet more power to the Council of Ministers would only exacerbate that problem. It would mark a further shift away from democratic rule towards the rule by "experts" that you so rightly decry.

GRAHAM WATSON MEP  
(Somerset and North Devon,  
Lib Dem)  
European Parliament  
Strasbourg

Sir: Your article on Europe is intelligent, cool and eloquent, and so out of tune with the times. It was pleasant to turn to it after scanning my mailbox, which included the unsigned letter: "Are you the son of Chamberlain? WHY DON'T YOU JUST PISS OFF?" Yet a good 50 per cent of these letters evidently share your view that the feelings driving our Europhobes are "immature and dangerous, a loser's emotion", and feel humiliated accordingly. So there is still an audience for reason.

Like you, I believe that Europe has over-extended itself and should be reined back over time, that the Common Agricultural Policy must be reformed, that much social policy should be repatriated, and that unification through a single currency is a dangerously theoretical construct; in practice it would widen the cracks.

It was especially good to read some grown-up, original thinking after the sophomore lectures that are increasingly a feature of Times leaders. One reason for the immature emotion is fear that we



British reserve

are trapped, that Europe is dragging us along in a direction we do not want to go, but that there is no real option of bailing out. Your use of the word "confederacy" will, of course, be jumped on and dumped on. Whatever it is, we need a looser arrangement with Europe, as do other Europeans, in the interests of Europe. We will not convince them through tantrums, but by positive thinking.

GEORGE WALDEN MP

(Buckingham, C)

House of Commons

London SW1

have the same powers to scrutinise and control their ministers' actions in Council (which they clearly do not) then centralising decision-making in the Council will only make it even more of an unaccountable body than it already is. Similarly, national parliaments will, quite rightly, only judge the actions of their ministers in the context of domestic politics. Instead, the powers of the European Parliament, as the only body capable of holding the Council accountable at a European level and the only body democratically elected at a European level, should be increased.

Second, you argue that social policy should not be a core function of the EU. But just as Britain is bound to Europe historically, culturally and economically, so is she bound by the common experiences of the labour and trade-union movements. Out of these arose a unique social model in the form of the welfare state and social partnership that has allowed Western European societies to enjoy unparalleled wealth and social cohesion. Now all European societies are experiencing the same threats to this social model. Instead of divesting the European Union of its powers in the social field, we should be using the common experience to find common solutions for a new form of welfare politics in the 21st century.

I hope your essay has signalled the first step in the fight back for

rational debate and argument over the politics of European union.

NICHOLAS CROOK

Brussels

Sir: May I congratulate you on yesterday's coverage of European issues? It is the most important contribution made by a newspaper to our national political life since the *Guardian's* coverage of Stasi. The courage and the importance of what you write, the intellectual standard is higher.

EARL RUSSELL

House of Lords

London SW1

Musical memory from 1832

Sir: Here is another long memory, further to David Ashton's letter (22 May).

In the late Sixties, I played amateur chamber music with Robert Platt, later Lord Platt, retired president of the Royal College of Physicians, who was also no mean cellist. He liked to tell the story that, as a boy in short trousers, he was taken to hear Mischa Elmann, then a child prodigy, play a violin concerto in the Queen's Hall. He was seated next to a very old gentleman, who said to him:

"What marvellous playing - the best I have heard since Paganini!" Paganini died in 1840, but the last time he played in England was in 1832.

RONALD FERRARI

Trinity College

Cambridge

## Why Israel elected Bibi

Sir: Patrick Cockburn's

observation ("The irresistible rise of Bibi", 31 May) that "it was the black-hatted ultra-Orthodox Jews who flocked to the polls this week to give [Benjamin Netanyahu] victory" is a caricature that obscures more than it elucidates.

Among Mr Netanyahu's supporters there were certainly many secular, left-wing Israelis who could not more vote for Shimon Peres as the successor to Yitzhak Rabin than their American counterparts a

generation earlier could regard George McGovern as the natural heir to the liberalism of Kennedy, Johnson and Humphrey. In both cases, the peace policy of the left's candidate had come in conflict with the reasonable security needs of a democratic state.

Any "peace process" worthy of the name has to recognise the limits, as well as the role, of diplomacy. If Mr Netanyahu's success convinces the Palestinian authorities that any further Israeli concessions will be contingent on their cracking down on Hamas and Islamic Jihad - and ceasing to refer to the bombers of buses as "martyrs" - the cause of peace will have been well served.

OLIVER KAMM

Bath, Avon

Sir: Your excellent leading article on Mr Netanyahu's victory (1 June) was marred by its grandiose reference to "two peoples whose

destinies have intertwined for thousands of years". The word "destinies" is so question-begging as to be an absolute damper on rational discussion. In the vast majority of cases the present Jewish population of Israel can at most claim a grandfather who lived side by side with the Arabs of Palestine. Moreover, who can tell whether, across the flux of millennia, those Arabs are the same "people" as the ancient inhabitants of the land?

BERNARD NOBLE

The Hague

We may soon conclude that much of the immorality in adults stems from teachers who view behavioural difficulties as an irritant for themselves rather than as disability for their pupils.

Dr CHRISTOPHER WILLIAMS

University of Cambridge

## Welsh warning

Sir: In reporting Rod Richards's resignation (3 June), you quote David Evans, ex-parliamentary private secretary of the Welsh Office, as saying: "People who accept high office... wear an English shirt."

This says much about Tory misrule of Wales. Mr Richards's private life is of little import compared with the imposition by this government of four successive Secretaries of State for Wales who hail from England. Perhaps Mr Evans is advocating the infamous Tebbit test of sporting allegiance. We await the sporting colours worn by Mr Richards's replacement with interest.

STEPHEN THOMAS

Secretary

Plaid Cymru London Branch

## Monroe doctrine

Sir: In looking at the "cult of thinness", Rebecca Fowler (1 June) repeats the myth that Marilyn Monroe was a "size 16". A person who should know, her dress designer and sometime lover Billy Travers, said that her true figure was 35-22-35. Travers used to tell her that the dresses she chose were too tight, but they obviously did wonders for people's perceptions of her figure.

STEPHEN DORRIL

Holmfirth, West Yorkshire

## essay

# Seven years after Tiananmen no one mentions the massacre. Fear of chaos rules.

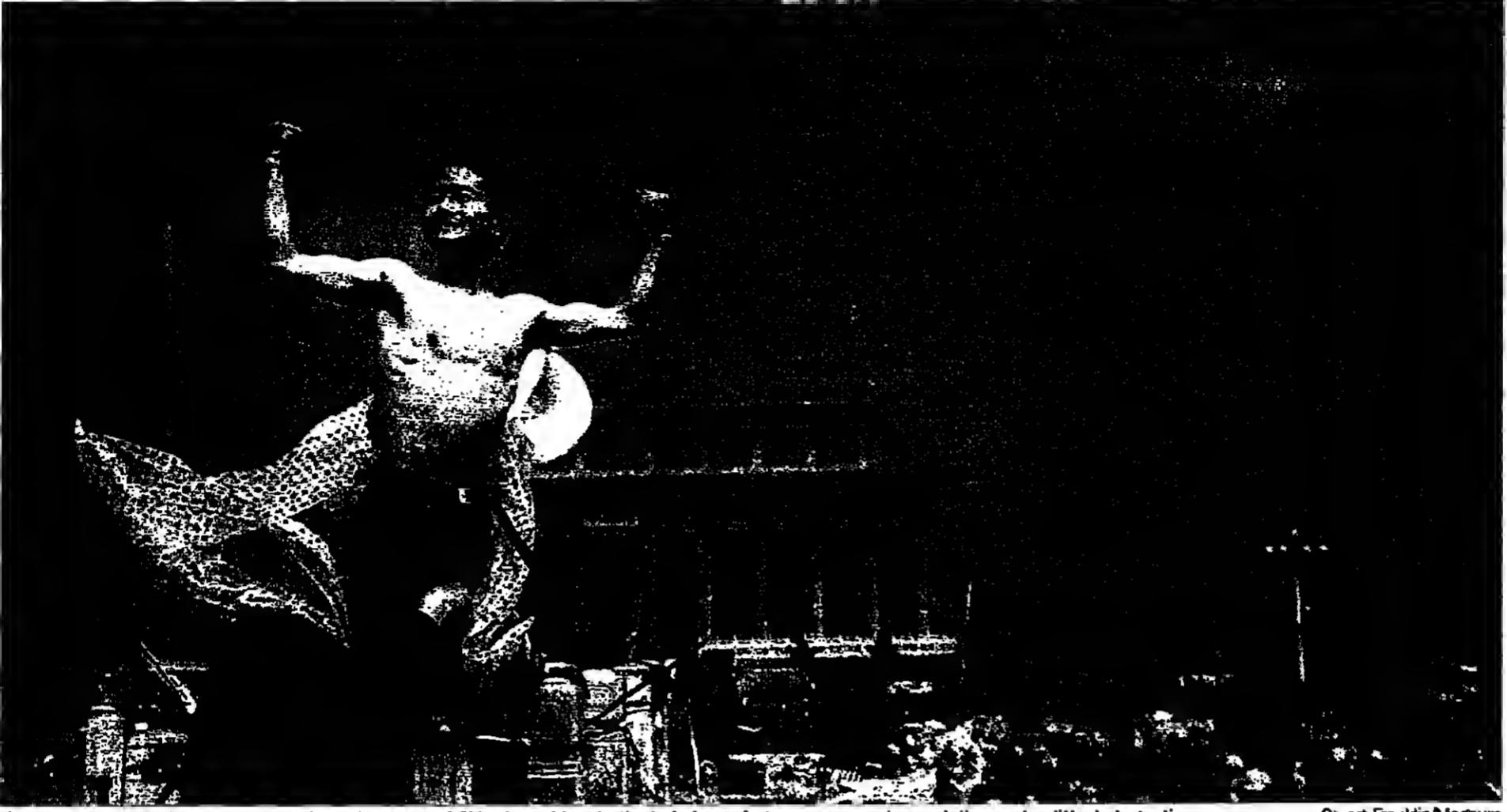
Steve Crawshaw, who saw Communism collapse in Europe, considers its fate in China

**I**t is that time of year again. The goons are gathering once more on the Square of Heavenly Peace in Peking - ready to pounce on any brave and hapless fool who might seek to commemorate the Tiananmen massacre that took place seven years ago today, when hundreds or thousands were killed (even now, nobody knows exactly how many), for daring to suggest that China's repressive regime should change. As in past years, there will probably be few great dramas on the day itself. The plainclothes loiterers will pounce instantly on any tiny flicker of unrest. And then it will (almost) all be over for another year. A few more arrests, a few more releases. In short: business as usual.

In some respects the Chinese authorities can be pleased. Seven years after the officially sanctioned bout of mass murder, the country is not about to explode. Meanwhile, China has been economically transformed in only a few years. In contrast to chaotic Russia, changes have brought a sharp rise in living standards. Huge areas still suffer from devastating poverty, but there is a widespread perception that things are changing for the better. Which, in the purely economic sense, is true. Certainly, the transformation of southern China, the boom region, is a sight to behold. The "special economic zone" of Shenzhen has become a mini-Hong Kong. "Fifteen years ago, this was just rice fields," says a Chinese entrepreneur, as we wander in dazed wonderment amongst the mirror-glass skyscrapers. Here, the world of Maoism has turned upside down.

Portraits of the shrunken but still-powerful Communist emperor, Deng Xiaoping - scarcely seen in public nowadays, and perhaps more dead than alive - hang in the centre of Shenzhen and in Canton, the regional capital, as a reminder of Deng's visit to the south a few years ago, and of the patronage for the new market economy which that now famous visit implied.

Elsewhere, too, the economic changes have continued apace. Shanghai, the country's financial capital, radiates a sense of self-belief. New skyscrapers spring up, as the Chinese saying has it, like bamboo shoots after spring rain. Nor is it only the obvious places that are booming. Go to Wuhan in central China, not usually thought of as an economic powerhouse, and the signs of transformation are all there, too -



The hope that died, Tiananmen, 1989: at the heart of China's problem is the imbalance between economic revolution and political stagnation

Stuart Franklin/Magnum

more building sites, more shopping malls, more skyscrapers.

The excitement about China's latest great leap forward is understandable. And yet there is no certainty that the economy will continue to grow at the remarkable rates of the past few years, when annual growth of 10 per cent has come to seem normal.

Sooner or later, the government must face the problem of what to do about dismantling its giant state enterprises, which still weigh down the economy.

The official view is that a kind of welfare fund can be created by the newly affluent China, which will cushion the blow when closures finally become necessary. Everybody will then live happily ever after. Most economists believe that this is what it sounds like: a fairy-tale.

Thus, the government - which already faces scattered outbreaks of labour unrest - may be living on borrowed time. Without a powerful mandate, painful economic change is difficult to impose.

At the heart of the problem is the asymmetry between the

economic revolution, on the one hand, and political stagnation, on the other. Admittedly, as one China-watcher notes, "The Chinese find it easier to live with contradictions than others do." None the less, the imbalance is clear.

A rubbery Mao, less real-looking than a Spitting Image puppet, is still ensconced in his giant mausoleum in Tiananmen Square; his solemn portrait still hangs at the north end of the square. Odd, but logical. If the authorities start dissecting the legacy of Mao, then everything else could unravel, too. Hence the silence that surrounded the recent 30th anniversary of the Cultural Revolution, when destruction became a political imperative. Impossible to praise, impossible to condemn - easier just to forget it. This failure to discuss the past is intimately bound up with the unhealed wounds of Tiananmen Square.

For students, let alone for ordinary Chinese, the traumatic events of Tiananmen do not top the current agenda. Even in pri-

vate, former protesters talk of that period as a closed chapter. Partly, that is because of well-grounded fear: those who launched petitions in the lead-up to yesterday's anniversary were promptly arrested. Partly it is because the brave new world of business offers opportunities for the well-educated to become prosperous, and thus bury the past. Partly it is a waiting game.

Chinese officials justify the suppression of discussion in two ways. First, "People do not want to talk about this, nowadays." Partly true. But this is often backed up, by a second, contradictory argument: "Everybody would argue about it too much. That would not be good for the country."

And there lies the rub. The Chinese warn constantly of the danger of *luan*, or turmoil. The popular fear of *luan* is often quoted as a reason why nothing will ever stir. And yet the official acknowledgement of the underlying restlessness - if the floodgates were opened tomorrow, then millions would be discussing Tiananmen and heaven knows where it would all end - is a reminder that everything might yet change. The Chinese authorities hope that the memories of Tiananmen will gradually fade like a forgotten scar. And yet a future to address the past can itself be a recipe for

*luan*. In the Soviet Union, glasnost without perestroika proved a spectacular failure. By 1991 Russians had almost complete freedom of speech but the Communist economic system was scarcely shaken or stirred. It was a recipe for disaster. In China it is still unclear whether the reverse combination, per-

estroika without glasnost (copy-right-holder: Deng Xiaoping), can work any better, in enabling a totalitarian regime to survive.

Already the paradoxes are clear. One can sit in a Chinese factory listening to the director waxing lyrical about export-oriented production, the fabulous relationship with foreign partners, the joys of the market economy. And then you notice the Communist slogans on the wall. Oh yes, says the factory director (and party cadre), the Communist Party is "very important" for the factory's

The catalyst: price rises on selected meat products.

Apathy, too, is a curious beast. A traumatic event can appear to be left behind, even while the wound still festers. After the Soviet invasion of Czechoslovakia in 1968, people were numbered for 20 years. Dissidents such as Vaclav Havel were isolated and even reviled, as most Czechs showed more interest in beer, sausages, and a nice apartment than in reversing the legacy of the tanks. Conventional wisdom had it that they would never rebel again. Then, in August

un可持续的. Theoretically one can use force to re-establish control - as happened on that fatal night in Peking in June 1989. But even that trick cannot be used too often.

The leaders of East Germany, who had been publicly enthusiastic about the Tiananmen Square killing, planned a local Tiananmen Square in Leipzig, on 9 October 1989. The orders were given, the hospitals cleared, the city sealed off. All of us who were there that night - a handful of journalists who had slipped through the cordons, and 50,000 protesters - saw the truckloads of armed militias and knew that the threats were real. And then, at the last moment, the authorities lost their nerve: they realised that the threat of force had made Germans, not best known for their rebellious qualities, more defiant, not less. It was the crucial retreat in East Germany. A month later, the Wall was down. In equally unrebellious Romania, by contrast, the dictator Nicolae Ceausescu decided he would go ahead with force: result: tanks, shooting, deaths - and, within a week, a brace of dead Ceausescus.

Even fear of *luan* is not a uniquely Chinese characteristic. The 16th-century *shunzhi* reign, or "time of turmoil" is seen as a black and dangerous period in Russian history. That fear of

chaos, and love of the "strong hand" was one reason why so many remained loyal to the Soviet state for so long (and they were loyal to the Communist state: not until 1989 and 1990, as everything else fell apart, did the mood seriously begin to swing against the regime itself).

Russia's population is much better educated than China's. But the people in Russia's huge countryside, too, were scarcely in revolutionary mode when Communism crumbled. All that really matters is for the urban government to feel, for whatever combination of reasons, that its position has become

Independent headline seven months before the Wall came down, and "The Kremlin cannot put the lid back on" seven months before the Soviet coup). But it was assumed that because the Soviet system had been around for 70 years, it had somehow gained itself a certificate of eternal life.

The eruption of Tiananmen Square itself - a million people, gathered at the heart of the Chinese capital to demand change - was neither predicted nor predictable. Equally, no future set of changes can be predicted, in the literal sense. Nobody knows the precise effect of the flap of a butterfly's wings, which might unleash a political hurricane. But there are tiny signs. Seven years after Tiananmen people are willing to talk with a stranger about those events, saying that they would not have dreamed of doing so just a few years ago. That cautious opening-up may in itself prove to be an important change.

Further radical change seems certain to come - not necessarily all peaceful, or comfortable. Thus political change might bring pressures on the Chinese state itself, which includes a permanently restive Tibet, and an increasingly restless Xinjiang province, with its large Muslim population, in the north-west.

There is continual speculation about the leadership changes that might follow the death of the 91-year-old Deng Xiaoping. But Great Hall-ology may prove as useless as Kremlinology was, in answering the bigger questions. These, after all, will not just be settled by a little band of old men within the walls of Zhongnanhai, the Communists' own Forbidden City, in central Peking. The hidden changes in Chinese society itself will be crucial.

The Chinese have no experience of democracy. But nor did the Russians, who now have a messy version of a multi-party system. Taiwan, meanwhile, has moved from locking up dissenters to a little greenhouse version of Chinese democracy in action. In other words: neither huge, traditionally undemocratic countries, on the one hand, nor ethnic Chinese, on the other, are genetically programmed to live in truth.

Chinese businessmen are now encouraged to make their own capitalist deals - by fax, phone, e-mail and in person - with the old enemies: with Taiwan, Britain, the United States and all points West and East. And yet, if they talk openly about the events that shook their own country, seven years ago, they can be locked up. That is both mad and bad. And there is no good reason to suppose that it will last.

All the more depressing, then, that Michael Heseltine, the Deputy Prime Minister, did not see fit to pursue the question of human rights when he recently met Li Peng, Prime Minister and chief slaughterer of 1989, in Peking. People in power always assume that other people in power are the only ones who matter. That is not just morally dodgy, but also politically wrong. Watch for the flapping of a butterfly's wings. And wait for the hurricane.

Russia  
into 2

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## Plain is not the flavour of the day

"They've never done it with rice, I believe," said the lady sitting at the end of the table. "By the Lord Harry, I believe she's right," said someone, and we all gave her a cheer.

This strange remark, and the sitting ovation it got, came at the end of a conversation in which we were all trying to think of ways of making our fortune. It had started with the host saying that he was putting some mustard on the table for the beef, and adding that it was going to be good old plain English mustard, because he was damned if he was going to put his latest acquisition on the table.

"Some friends of mine have just come back from Wales and they wanted to buy me a small gift, so I am now the far-from-proud owner of a jar of round grain mustard flavoured with leeks. I have tried it and I do not like it, but I knew I wasn't going to like it. Mustard shouldn't be monkeyed round with. Mustard is mustard and mustard is still taste like vichyssoise custard."

"Yes," said a man called Fred, "but you can't get away from it these days. Every commodity is flavoured with some other commodity. You can't stop people adding tinges of this and a touch of that. You're lucky to get the real thing for

"Real thing? What are we talking about?" said Fred's wife, who could always be relied upon to seem stupid. She did it because it gave Fred a chance to seem clever, which he didn't ordinarily get.

"Well, take crisps, for example," he said. "A real crisp is a potato crisp. It is a very thinly sliced piece of potato, fried in fat and salted. It doesn't taste much of potato. It tastes more of salt. But there came a time when crisp manufacturers thought we should have more variety, or at least that they should sell more crisps, so instead of doing the obvious thing, which was to crisp other kinds of vegetable, they started adding totally unrelated flavours to the plain crisp. It started with cheese 'n' onion. It went on to Bovril. It got as

somebody else. "There was a time when you could holler a piece of bread or toast and then put jam orблота paste or whatever on it, and eat it happily. But nowadays with all these designer breads you have to get a magnifying glass and see what's in it first. You're just about to put marmalade on your toast when you see that there's a bloody olive sticking out of it, so you have to think: 'Let me see, what goes with olives?' But nothing does go with olives. Except gin. And you can't get gin-flavoured marmalade."

"Sausages," said the hostess. "Sorry," said Fred.

"It happened to sausages, too," she said. "Once they were just meat. Well, bread and meat. They were either beef or pork. Now you can go to a sausage boutique and buy sausages flavoured with ..."

"Mustard and leeks," said her husband, morosely.

"It happened to vinegar when it went raspberry-flavoured," said someone else. "It happened to bread when they started putting bloody sun-dried tomatoes in it," said

celery salt, vodka with buffalo grass ... I've even seen Belgian beer with raspberries in it."

"I saw some blackcurrant-flavoured lemonade the other day," said the hostess. "Now THAT's going too far. That's adding a fruit flavour to a drink that's already got a fruit flavour! What on earth is the point? They didn't have all this a hundred years ago."

"The Victorians had mustard baths. They may have had mustard baths, but I bet they didn't have bits of luck floating in them," our host grumbled.

"The point is," said Fred, "if someone could think of some foodstuff which had not yet been flavoured, they would make a fortune."

There was a thoughtful silence. It was then that the female interruption came.

"They've never done it with rice, I believe," said the lady sitting at the end of the table. "By the Lord Harry, I believe she's right!" said someone, and we all gave her a cheer.

I expect flavoured rice will be on the market some time this week.



Miles Kington

far as prawn cocktail and smoky bacon. Heaven knows how far it has got now. Steak and kidney pie crisps? Lobster Thermidor crisps?"

"Sausages," said the hostess. "Sorry," said Fred.

"It happened to sausages, too," she said. "Once they were just meat. Well, bread and meat. They were either beef or pork. Now you can go to a sausage boutique and buy sausages flavoured with ..."

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## the commentators

## Love thy neighbour and keep the noise down

The new social moralists of the Labour Party are careful to distinguish private conduct from public behaviour

**I**s new Labour succumbing to an old authoritarian streak? Jack Straw's proposal for curfews to keep children off the street at night have been attacked by the Tories as socialist Big Brother politics and by the Liberal Democrats as "plain dangerous". Nor, it has to be said, have they been enthusiastically received by children.

They follow a fast-growing list of proposals from Mr Straw and other Labourites that have aroused the ire and worry of civil libertarians. There was the suggested clampdown on noisy neighbours, the decision no longer to oppose the Prevention of Terrorism Act, the proposal that parents of "irresponsible" children should be given compulsory education in parenting and, of course, the Straw speech against "aggressive begging ... and the sycophants merchants."

At the same time there has been something close to a counter-revolution in Labour's attitude to schooling, with David Blunkett leading the attack on the progressive teaching methods championed in the Sixties but still dominant in

many British schools. Tough on bad spelling, tough on the causes of bad spelling.

The great change in Labour was vividly brought home by Michael Cockerell's recent television biography of Roy Jenkins, who defended his record as Labour's reforming Home Secretary when he changed laws on homosexuality, abortion, divorce and censorship.

Mr Jenkins said: "I was trying to make Britain a more liberal and open society because I thought we lived in a repressive climate ... If you want to stop people doing something which they believe doing, which they believe is within the law of action, then you've got to have an overwhelming social case ... if you're going to stop them, you shouldn't do it out of prejudice or out of habit, but only because you can show that a definite social evil results."

After 17 years of government by Tories who blamed Mr Jenkins for the permissive society, not one of his great reforms has been reversed. Yet it is almost impossible to imagine a leading politician today expressing him-

self with such breezily self-confident libertarianism.

Certainly, it has become inconceivable that a Labour government of the late Nineties would embark on liberalising measures of the scale of Mr Wilson's 1964-70 governments. What, anyway, would that mean? Legalising soft drugs, at the very least. Outlawing discrimination against homosexuals in the armed services? Offering the same financial and legal protection for gay marriages as for ordinary ones? Those might be among the measures a latter-day Roy Jenkins figure would tackle. But there isn't one, and Sixties' liberation politics are deeply unfashionable.

Labour today is a part of a new mood of mild conservatism in social policy that is sweeping the West. There are risks in it; by ditching libertarianism, new Labour is surrendering a certain excitement and exuberance. It is giving up on the chance to be hip.

One might object that no party led by Tony Blair (despite his youthful rock-star ambitions) or Gordon Brown, Robin Cook, Harriet Harman and so



ANDREW MARR

## Sixties' liberation politics are deeply unfashionable

on, could ever be entirely hip. But that is too personal a response. It is on the level of the attacks Straw has taken, such as the story that, aged 11, he told off the local ice-cream man for sounding his chimes after 7pm.

There is a personal aspect to new Labourism, but it is more interesting. Straw comes from a single-parent family and was brought up on an Essex housing estate. His instincts are nearer those of working-class families having a hard time from local

youth and riotous neighbours than they are to the instincts of the liberal middle classes.

When I spoke to Tony Blair about this yesterday, he argued vociferously that to say there was a choice between social liberalism on the one hand, and social conservatism on the other was as false as the suggestion in economics that you had to be in favour either of laissez-faire or of old-style state control.

His generation had grown up with a more permissive culture, and saw tolerance as a very important virtue; but it also wanted social rules.

Noting that for many elderly Britons "life has been made absolute hell" by the behaviour of young people, he argued that Labour's position was social democratic: "at the heart of it is a deal, a settlement between the individual and society. There has to be a space with clear rules. Why? Because otherwise, the powerful win – which is what is happening on many estates."

About that he is surely right. I have noticed that women and older people – particularly poorer older people – are far more enthusiastic about Straw-

type policies than the younger and richer men who tend to dominate politics and journalism.

It is easy for the powerful to be relaxed about petty street crime, neighbourhood noise and education standards in state schools – for these are all things the powerful can buy distance from.

It is possible to envisage a "new Labour" morality that is, for instance, in favour of lowering the age of consent for homosexuals (Blair's view) and also in favour of being tougher on young criminals (dinto). Similarly, Straw's views about aggressive beggars may be too strong for some tastes – mine included – but they go alongside a fervent and aggressive anti-racism that is also the spawn of the Sixties.

There are philosophical and practical difficulties about this new social morality. Any politician who lacks Jenkins's intellectual clarity about the limits of state power and the liberty of the individual can too easily be nudged by the latest scare, the latest headline, into taking liberties from the latest unpopular group (hobs, blacks or beggars). That, rather than delib- erate malignity, has been the story of the Tory years.

But there is something like a new social morality emerging, which is being articulated by the Blairites. It has no name. But it separates private sexual and recreational conduct, about which it is very tolerant, from public-space behaviour, about which it is increasingly stern. It has its dangers – a morality that concentrates on public behaviour is bound to be tougher on those who spend time on the streets and, therefore, who are poorer or unemployed. But it is less liberal about sex and race. And it is not shameless populism either.

It is probably, though, the moral centre-ground shared by most British voters who are middle-aged or younger. Blair and Straw are on to something, and they know it. But they also owe it to the rest of us to articulate this new something, and acknowledge its dangers openly and expound its benefits more convincingly. For here, not in economics or diplomacy, is a political revolution in the making.

## Fatal distraction reaches fever pitch

Bored already by Euro 96, Jojo Moyes prepares to flee

They think it's all over? I wish it were. Euro 96 lunacy has descended, and tough luck to those, like me, who think it is all a load of feathered balls. Gone are the days when football was restricted to grounds and Grandstand. From now until 30 June, there is no escape. With an estimated 700 hours this summer, both BBC and ITV are clogged up with it, with fans of soap, drama and documentaries brutally shoved outside. Newspapers are hulking with it; it is, apparently, no longer enough to receive pre- and post-match analyses – we have to know what the players drink in nightclubs, what they demolish afterwards and which leggy blondes comprise their three-in-a-bed-shockers.

The pop charts are full of tone-deaf players warbling Euro-tunes, while even classical music is corrupted by it; who now can hear Puccini's exquisite "Nessun Dorma" without the accompanying mental image of Paul Gascoigne's puce-potted face screwed up with tears?

England's men, meanwhile, become Veleno's to their sofas. Worse still, they start wearing those ridiculous nylon shirts. Repeat after me, boys: These are not attractive. Nor will wearing one mean that women somehow mistake you for David Ginola.

Eurostar is happy, with a record number of reservations for June – 110,000 in one week alone. "We're ascribing a lot of the traffic to Euro 96," said a spokesman. I disagree. What they don't say is that there are as many people fleeing the country as there are coming in. And for those who believe that Euro 96 poses a greater risk to the nation's health than BSE or Anthrax Turner, I propose a few remedies.

One is, of course, to leave the country. This will only work if, for obvious reasons, one ventures beyond Europe. Another solution is the immediate adoption of a red-card system. These could be worn either on the breast pocket, to denote an anti-Euro stance, or held up as a brisk warning at the start of any conversation likely to contain the words "Bobby Moore" or "1966".

The other dream solution, of course, would be for England to drop out in the first round. Perhaps I won't book that Eurostar ticket just yet.



Yeltsin has surrounded himself with people he could trust rather than keeping contact with a wider public. Victor Korotayev

Similar policies aside, there is an enormous gulf between the two electoral foes, says Geoffrey Hosking

## Russia looks into a chasm

**A**t the moment no one will take any decisions in Russia. When I ask university colleagues there to commit themselves to anything involving more than the next few days, they look at me with glazed eyes and reply, "Let's wait for the presidential elections".

One ought to be pleased; of course. When previously in Russian history did anything serious depend on the outcome of an election? But all the same, the widespread view of the election as an abyss, with absolute triumph on one side and total disaster on the other, reveals the extent to which Russian democracy has failed to settle down. Businessmen warn morosely that a Communist victory would plunge Russia into chaos and Yeltsin's closest adviser, General Korzhakov, even talks daily of civil war. No one expects the kind of peaceful transfer of power from government to opposition that marks a stable democracy.

How far is this alarm justified? For all the upheavals of the past few years Russia has not outgrown one basic characteristic of the old system, which is that politics was organised by cliques. The life-chances of a politician depended on the clique to which he attached himself, and especially on the fortunes of its leader. If the leader advanced, so did the rest of the clique, like mountaineers roped together.

Yeltsin did not challenge this

pattern. He has never managed to create a political party to keep open his contacts with a wider public but instead has surrounded himself with people he could trust. At times, as a result, he has seemed to be receiving limited or distorted information, as when he invaded Chechnya in December 1994, a decision he himself called the "greatest mistake" of his presidency.

A change of regime would bring in people eager for revenge

A change of regime would mean a complete reshuffle of these cliques, bringing in fresh people, eager for revenge after years of frustration. One might view the elections as a struggle between the successful Communists (those who made the leap in good time from the old system to the new one) and the unsuccessful ones (those who failed to and so got elbowed aside). Ironically, the latter hear the Communist label. They have let it be known that they regard Yeltsin and his followers as "criminals" and would bring them to trial for having illegally destroyed the Soviet Union and sold off the national heritage. So the change of personnel could be disastrous for the losers.

Communist newspapers have been full of the rhetoric of Russia as a great power and proposals for the "voluntary re-creation of the Soviet Union. But here too Yeltsin is not far behind. He recently signed a treaty with Belarus that stops barely short of the full union of the two countries, and he has

dismantled customs barriers with Kazakhstan and Kyrgyzstan. Almost any conceivable Russian president would probably move in this direction. Russians are used to running their neighbours' affairs and their economic power gives them strong leverage.

In terms of policies, then, there may not be as much difference as appears between Yeltsin and Zyuganov. All the same, in recent weeks Yeltsin has been doing what he can to put "blue water" between himself and Zyuganov. He has announced that he plans to professionalise the armed forces, which should mean that after 1999 no more conscripts are called up. This would end some three centuries of press-

ing young adult males into military service for which they were often ill-prepared. No Communist would dream of doing any such thing, and most of the generals have been pretty tight-lipped in their reaction to the move.

Even more important is the Chechen peace settlement. This is not just a matter of ending the war, which the Russian government has been trying to do for months. Yeltsin's Nationalities Minister has suggested that Chechen rebels might join a coalition government, and that a power-sharing treaty might be drawn up, which would define Chechnya as a sovereign state within the Russian Federation, running its own domestic affairs. This is a real

divergence from the imperial view of the Russian state which Zyuganov holds.

However one rates Yeltsin's chances, the most important thing is that everybody I have spoken to in Russia recently seems to assume that these elections will go ahead. Their glazed eyes and their indecision indicate that they are taking democracy seriously. They are right to do so. The actual policies of Yeltsin and Zyuganov may differ less than both of them claim, but it really does matter who is in charge, and not only to their respective cliques. Yeltsin will reassure businessmen and foreigners that the country is stable and safe to invest in; Zyuganov will arouse fears of instability as well as the shadow

of the Communist past. In Russia, personality is everything.

The writer is Professor of Russian History at the School of Slavonic and East European Studies, London University.

## A citizen of Europe first, British second

The United Kingdom has farthest to travel on the road to integration but it is worth the journey



ANDREAS WHITTAM SMITH

I think of myself first as a European citizen and second as a British citizen. We must all declare our colours now that the battle for Britain's future in the European Union has joined.

If only the UK fitted as smoothly into Europe politically as it does culturally and commercially. While the enormous influence of Continental art, music and literature on us scarcely needs stating, we may not realise that the traffic has always been two-way. The interchange is particularly striking now. A retrospective of Francis Bacon opens in Paris at the Centre Pompidou shortly. At the same time the Jeu de Paume, round the corner, will be full of contemporary British sculpture from Anthony Caro to Damien Hirst.

You can hear Benjamin Britten's operas in Paris almost as regularly as in London; contemporary British novels are translated into French and given full reviews almost every week of the year. Indeed, in novels there is a substantial trade imbalance in favour of Britain – about 150 of ours cross the Channel each year compared with, say, 12 or so from the French side.

In Germany, Rowan Atkinson's "Mr Bean" is a cult figure. Sir Simon Rattle with the City of Birmingham Symphony Orchestra is a much admired regular visitor. Sir Norman Foster is the architect for the rebuilding of the Reichstag in Berlin where Germany's

Parliament will meet; it is difficult to think of a more important commission. In Rome, last week the actress Tilda Swinton created a sensation by taking over the Museo Barocco devoted to classical antiquities. With the ancient objects she placed appropriate plants and then, as she did at the Serpentine Gallery in London recently, inserted herself asleep as a further exhibit, only this time in a sort of botanical glass box, such as Darwin might have used. At once erudite and eccentric, the Italians found the experience "commovente" – moving, touching. British culture is admired for its freshness, its willingness to take risks, its irony, its self-mockery, even its occasional weirdness.

British business finds it relatively straightforward to adapt to Continental ways, as does Continental business here, despite quite big differences. It is not just that the law is Roman rather than Anglo-Saxon or that social regulations are stricter elsewhere in Europe. In business negotiations we really are just as pragmatic, as legend suggests and the French relentlessly logical and the Italians interested in grand concepts.

Moreover, the closer you get to the Mediterranean, the more individual companies are likely to belong to unofficial families of businesses once in such a grouping, all the members

will help you, otherwise not. These things have to be learnt and, being

of sovereignty. The list is familiar. After three invasions in a hundred years, France has wished Germany integrated rather than isolated; in turn Germany has peacefully gained leadership of a Continent. Italy has wanted Europe to buttress its weak government. Spain has seen Europe as a guarantor of its post-Franco democracy. Belgium and the Netherlands have obtained leverage over their big neighbours. Ireland, Portugal and Greece have received handsome subsidies.

British policy has been to engage, unwillingly and unenthusiastically, in a limited amount of political integration in order to protect or enlarge our existing single market benefits. It has been a crabby, uninspiring stance. It has finally brought us the meat crisis with its bad temper, recrimination, distrust and retaliation. Naturally, we did not discuss the matter with our partners as a common problem before making our fateful announcement. We wouldn't.

In a rational world it should be possible to agree which political decisions are best taken at the European level (as rightly advocated on these pages yesterday), which by national parliaments and which by local government. We would also be secure that, at all points, democratic procedures and popular oversight were in place. The EU would be the coping stone of our constitutional arrangements. I would be both a European and a British citizen.

My political aspirations are also European because I want to be part of something that has, or could have, near-supernatural influence in the world. Britain lost that status during the Second World War. I think we need it in some form to help us face the international crises we might meet in the future – more likely to be trade wars than armed conflict. If and when, say, Russia, China, Japan or India throw their weight about, I seek the reassurance of belonging to an equally powerful body without having to rely upon being just one of the United States' many allies.

I accept that as a middle-sized country, we still do "punch above our weight". Partly, this comes from being a member of the key clubs. The UK has a permanent seat on the Security Council of the United Nations; we play a leading role in Nato; we are one of the Group of Seven economic powers, which regularly meet to discuss the world economy, and we are the historic leaders of the Commonwealth countries. We are also able to project military force overseas, albeit on a modest scale, which earns us a close alliance with the US. And we, like France, draw influence simply from having been around as a nation-state for a long time. But separately or in combination, these relationships do not compare with being an integral part of a strong Europe.

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## Oftel review cuts BT bills for 16 million

MICHAEL HARRISON

Telephone bills for 16 million domestic customers are set to fall by an average of £8-£10 a year under more lenient price controls announced yesterday by the industry regulator Don Cruickshank of Oftel.

The curbs, from July next year, are not as tough as BT had feared. But if it accepts them it will also have to agree to Mr Cruickshank's sweeping new powers to tackle anti-competitive behaviour by BT and other telecoms operators.

The new price controls will apply only to domestic and small business customers with quarterly bills of £66 or less and will cover only a quarter of BT's annual revenues. They will restrict price increases to inflation less 4.5 percentage points from 1997 to 2001, and will, said Mr Cruickshank, be the last set of retail price controls he imposes on BT.

The company's 10 million larger domestic users and most business customers will be exempt from price controls altogether.

Mr Cruickshank said that the new Fair Trading condition he wants to see written into BT's licence was "indivisible" from the price controls. If BT rejects either element of the package it will be referred to the Monopolies and Mergers Commission.

BT refused to say whether or not it would agree to Oftel's proposals. Peter McCarthy Ward, the BT director in charge of the price review, described them as a "curate's egg" which it would need to study carefully before deciding whether to accept or reject. "It is not tanks on the lawn outside Oftel's offices but nor is it peace in our time," he added. "This is a complicated document that will take time to assess."

However the hettin in the City was that BT would accept the entire regulatory package, albeit grudgingly, and its shares ended 13p higher at 368.5p.

Mr Cruickshank said the new formula was based on BT earning a 12.5 per cent rate of return on areas of the business that would remain regulated and would require it to achieve 4 per cent annual improvements in efficiency. This is twice the level of productivity gains BT has factored in but it declined to spell out what the impact on jobs would be.

BT's competitors welcomed Oftel's proposals and in particular the more focused approach to price curbs. Peter Howell-Davies, chief executive of Mercury Communications said: "It will lead to lower bills for residential customers and allow competition to continue to develop so that all customers will carry on enjoying higher quality, more choice, and greater innovation in services."

The UK's largest cable operator, TeleWest, said the deregulatory thrust of the proposals and Oftel's intention to make these the last set of retail price controls were an acknowledgement that competition would regulate the market and protect the consumer in future.

The new Fair Trading condition, meanwhile, would tackle any abuse by BT of its dominant market position and prevent it from engaging in anti-competitive behaviour such as predatory pricing or delays in connecting competitors to its network.

In fact, the proposals, which BT must respond to by the end of July, mark a sharp change in tack on the part of the regulator. Initially Mr Cruickshank had proposed retaining some

for in Yorkshire's price control and lowering the company's revenues by some £40m. It has also agreed to a new set of performance targets that will involve additional spending of £50m on top of the £170m extra it is already spending to be restricted in its ability to improve its prices.

The fresh price curbs were announced by Ian Byatt, Director General of Water Services, as he published the damning results of an investigation into Yorkshire Water's performance last year. The inquiry found serious failures by the company in controlling leakages, minimising unplanned supply interruptions and controlling flooding from sewers.

"It is not the job of the regulator to seek to manage the

company", Mr Byatt said. "But when a company fails to deliver the standard of service which customers have paid for it will be required to undertake specific action, to report the outcome to the regulator and to be restricted in its ability to improve its prices."

Brandon Gough, who took over as chairman of Yorkshire Water a month ago, said: "The new management of Yorkshire Water believe it vital to secure the trust and confidence of customers by delivering high-quality, reliable service. Mistakes were made in the past but it is now important to look to the future."

In his report Mr Byatt said Yorkshire had not paid enough attention to the problems of leakage, supply interruptions or flooding and did not have adequate plans to deal with them.

He also criticised Yorkshire Water Service's payment of a £50m special dividend in the summer of 1995 which, in retrospect, was "not appropriate in the circumstances" and may mean it has to receive a cash injection from its parent company to finance its operations.

In addition to the price freeze, Yorkshire has undertaken to meet a series of performance targets by the end of the decade. These include cutting by two-thirds the number of customers affected by unplanned supply interruptions of 12 hours or more and halving the number of customer affected by sewer flooding.

From October to early January this year there was a real cutting by two-thirds the number of customers affected by unplanned supply interruptions of 12 hours or more and halving the number of customer affected by sewer flooding.

## Ofwat 'fines' Yorkshire Water £40m

MICHAEL HARRISON

Yorkshire Water was yesterday in effect fined £40m by the industry regulator Ofwat for its "serious failures" in coping with last year's drought when it only avoided rota cuts by tankering in water in a fleet of 70 lorries.

In an unprecedented move, Yorkshire has agreed not to increase prices by more than the rate of inflation next year in recognition of its failure to meet its obligations or deliver an adequate service. It had been entitled to raise them by RPI plus 2.5 percentage points.

The price freeze will have a knock on effect in 1998-99 and 1999-2000 resulting in customer bills being lower than allowed

for in Yorkshire's price control and lowering the company's revenues by some £40m. It has also agreed to a new set of performance targets that will involve additional spending of £50m on top of the £170m extra it is already spending to be restricted in its ability to improve its prices.

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## Unsold stocks continue to dog industry

DIANE COYLE  
Economics Editor

The contrast between strong consumer spending and sickly manufacturing output was highlighted yesterday by the first economic statistics for May.

The mixed evidence on the health of the economy means that the Chancellor, Kenneth Clarke, is not expected to change interest rates after his meeting tomorrow with Eddie George, governor of the Bank of England.

The decline in manufacturing activity last month was the sharpest since September 1992, according to the Chartered Institute of Purchasing and Supply. Its activity index showed the fourth fall in a row in May.

"Business conditions have steadily deteriorated since the start of the year," said Peter Thomson, director general of

the CIPS. The survey suggested that unsold stocks of goods were the main reason for pessimism.

Output, orders and employment were all down compared with the previous month, although the consumer goods industries increased their level of production. Jobs were cut by

David Yeandle, head of employment affairs at the BEF said: "We are pleased to see employers and employees are responding prudently to tougher trading conditions and the decreasing rate of inflation."

However, figures showed growth of the narrow money supply measure, M0, picking up

17 per cent of the firms surveyed.

In a further sign of industrial weakness, the Engineering Employers' Federation reported that pay settlements had fallen back in the three months to April. They were down to 3.3 per cent on average, having held steady at 3.5 per cent for the previous nine months.

There were 21 pay freezes reported during the three months - 15 of them in April - out of a total of 269 deals. Most settlements remained in the range of 3-4 per cent.

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to 6.2 per cent in May from 5.6 per cent in April. Cash in circulation, by far the biggest component of M0, grew by 6.1 per cent in the 12 months to May.

"Along with other consumer indicators, underlying narrow money growth is accelerating," said Adam Cole, an economist at brokers James Capel.

Mr Clarke and Mr George are expected to agree to leave base rates unchanged this month. But there is a difference of opinion in the City about what will happen later this year.

Some believe the Chancellor will cut the cost of borrowing again. A report from his panel of "wise persons" due to be published on Friday will show that most of them think there is plenty of spare capacity in the economy and therefore little immediate inflationary danger.

However, in its latest Inflation Report, the Bank of England warned there was a danger of inflation running above its 2.5 per cent target by 1998 if base rates did not rise in the meantime.

Most City analysts reckon higher consumer demand will help manufacturers work off their overhang of stock before long. In addition, key continental European export markets are expected to recover later this year.

"There is a danger of overdoing the doom and gloom on manufacturing," said Robert Clarke, an economist at BZW.

Official figures for manufacturing output will soon be revised up to take account of better estimates of exports last year. Last week the Office for National Statistics published higher figures for export growth as a result of a new method for calculating export prices.

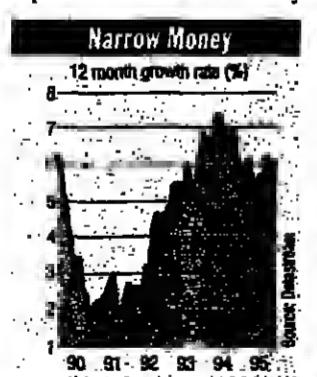
Their stakes should be worth around £12m on paper following the float.

Like PPL Therapeutics, an Edinburgh-based group which recently announced its intention to float, Therapeutic Antibodies uses sheep to produce its main products, which are currently only available for combating snake bites. The difference is that, while PPL obtains proteins from the sheep's milk, TA bleeds its animals to obtain polyclonal antibodies.

Sheep-generated antibodies are said to have a proven safety record, with few side effects in humans. They are used to supplement the human immune system to bind and neutralise the offending target on the cell. The snake bite products were launched last year and are currently only being sold to the Nigerian government and in certain Scandinavian countries.

Martin Brown, the company's US chief executive, said that while this was a niche market, it proved the company's technology.

**Narrow Money**



Source: Bank of England

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**STOCK MARKETS**

**Dow Jones\***

**Nikkei**

**INTEREST RATES**

**Short sterling\***

**UK medium gilt**

**US long bond**

\*Mid term interest rates

Money Market Rates

Bank of England

Interest rates

Interest rates

Interest rates

Bank of England

Interest rates

## Cruickshank's carrot-and-stick does the trick

### COMMENT

'BT will squirm and wriggle and wring its hands at the demanding price cap which, indeed, is more demanding than it appears at first sight. But in the end it will probably accept'

**D**on Cruickshank would appear to come from an altogether more subtle school of regulation than his opposite number at Ofgas. Whereas Clare Spottiswoode has set about British Gas with lead piping, the Director General of Telecommunications looks like getting his way with BT using a much cleverer combination of carrot and stick.

Indeed, the package of price and fair trading controls presented yesterday by Mr Cruickshank looks as neat a stitch-up job as any done on privatised utility since the merry band of regulators leapt onto the scene a decade ago. BT will undoubtedly bellyache. It will complain about natural justice and the lack of an appeals procedure against the regulator's proposed powers to tackle anti-competitive behaviour. It will squirm and wriggle and wring its hands at the demanding price cap which, indeed, is more demanding than it appears at first sight. But in the end it will probably accept.

As the consultative process has evolved, culminating in these final proposals, Mr Cruickshank has either knocked over the obstacles erected in his way by BT, or simply swerved around them.

BT wanted a new regulatory regime that reduced quite dramatically the range of services that are price-capped. It has got precisely that. Under the new formula only a quarter of its revenues will be governed by price controls whereas under the existing controls it is two-thirds. BT says it wanted an approach that would encourage invest-

ment and allow competitors sufficient headroom to enter the market. It seems to have got that too. This is balanced by a Fair Trading condition which, if written into its licence, would give Mr Cruickshank and any successor greater discretion in tackling anti-competitive behaviour.

BT finds this abhorrent, but unlike the issue of pricing where the industry presented a more or less common front against the regulator, few support its stance on this other matter. Refusing to accept the fair trading proposals and marching off to the Monopolies and Mergers Commission risks looking like an act of truculence which, in case, is not guaranteed to produce a more favourable outcome for BT.

British Gas looks set inevitably on a course for the MMC but that is because it believes shareholders' funds are being expropriated. That is not the case with BT. The smart upwards movement in its share price yesterday makes it very hard for BT to argue the British Gas case, that Ofgem is being beastly to Sid. BT should be thankful for small mercies and accept Mr Cruickshank's proposals.

**Calling the regulators to account**

Few outside Yorkshire Water's own shareholders are going to have any problem with the penalty imposed on the company

yesterday for last year's drought fiasco and other related management failings. If Yorkshire Water is to be believed, not increasing prices by more than the rate of inflation next year amounts, in effect, to a fine of about £40m over the lifetime of the present price controls. Yorkshire's pricing formula was originally set to allow it to raise prices by two and a half percentage points above the rate of inflation. On top of the revenue loss, Yorkshire is also being forced to spend an additional £50m shoring up its crumbling infrastructure.

There is, however, one thing that Ian Bryant, the water regulator, does not explain in an otherwise lucid, clear and comprehensive report on Yorkshire Water's failings.

That is how the fine was arrived at. According to a spokeswoman for Ofwat, it was a question of the director general's "judgement" of what was appropriate, taking into account the fact that the company paid out a special dividend of £50m last year.

Both will find the judgement too lenient; rather fewer, too harsh. The fact that Mr Bryant doesn't explain himself lays him open to the old criticism of arbitrary regulation. Yorkshire has agreed the penalty, as well as might given the weakness of its position. All the same, something needs to be done to standardise regulatory procedure and make it more transparent and accountable.

As things stand, we have a series of all-powerful regulators waltzing around by themselves, decision-making in a way which is

subject to neither test nor appeal. Each privatised monopoly has its own particular regulatory needs, requirements and priorities, but even so some commonality in approach and judgement might reasonably be expected. In practice there is hardly any.

It is perhaps unfair to lay such criticism on Ian Bryant, one of the more enlightened and thoughtful of the regulators. This is especially the case given that most people would heartily agree with his action against Yorkshire. Nonetheless, only in Britain would it be possible to impose such a vast fine on a company without accounting publicly for how it was arrived at. The fact that the regulator may have got his decision-making about right both in the Yorkshire Water case and in the more complex BT price review, is no excuse for the arbitrary nature of the process. Because regulators act alone and without public debate, their judgement is highly likely to be at fault, or at least out of tune with the times. Priority should be given by the next government to root and branch reform of the system. Both the regulated utilities and the public at large are rapidly losing all faith in it.

### Tesco tip-toes into financial services

Tesco's move into financial services is not so much a running jump into the deep end as a tentative toe in the water. Super-

market watchers had been braced for something much bigger - a credit card, say, or even a full-blown deposit account branded with the Tesco name. Instead we have got a halfway house, a budget card which is also a debit card. Basically it is a NatWest account that will help you do your Tesco shopping. In other words, little more than a loyalty gimmick.

All the same, we can safely assume this is a stepping stone to other whizbang financial products, such as the Tesco life assurance plan or the Sir Ian MacLaurin pension scheme (the does retire soon after all). Tesco should beware, however. The route to financial services is not always an easy path as other retailers have discovered. Marks & Spencer launched its financial services products with much fanfare but has found the going much tougher than it expected. Virgin, on the other hand, has fared better with its PEP and is now going into life insurance.

The aim here is clear. Retailers and other top companies want to use the strength of their brand names to bolt on other products. Brands such as Marks & Spencer and Boots always rate highly. By contrast everyone loves to hate the banks which are seen as inefficient and unfriendly. As the banks continue to push customers further away with cash machines and telephone banking, the supermarkets are drawing them closer to the bosom with loyalty cards and the like. The banks are easy prey so we can probably expect to see more announcements like this. And who knows, it may work.

## BSE scare hammers Dalgety

PATRICK TOOHER

Analysts were downgrading forecasts for Dalgety yesterday after the food giant warned that the impact of the BSE scare would cut pre-tax profits by up to £25m this year. Dalgety said it had faced "considerable uncertainty as a result of the continuing beef crisis".

Worst hit was the Spillers pet food business, which incurred write-offs totalling £15m as a result of the European Union's global ban on the export of British beef.

Dalgety added that its pet-food division had also been affected by an isolated, and unrelated, case of suspected product contamination at its Dutch factory. This had led to the recall of dried cat food products at an estimated cost of £5m.

A further £5m was lost in Dalgety's agricultural feed and food ingredients business due to stock write-offs and a fall in demand for beef-based food products for which Dalgety supplies ingredients. "These costs are largely one-off in nature," the company said.

However, analysts were dis-

appointed with the statement and also by Dalgety's decision to do no more than maintain the final dividend this year.

"There are a number of companies across the sector who have been hit by the BSE scare, but Dalgety is the most affected," said Julian Hardwick, analyst at stockbrokers BZW. He lowered his profit estimate for the year to June 1996 to £95m from £115m, compared with £93.7m made last year.

Richard Workman of stockbrokers ABN Amro Hancoe Govett trimmed his forecasts to £101m from £123m, and has pencilled in £130m for the year to June 1997, from £160m.

Since the latest BSE scare broke in March, shares in Dalgety have slipped from 438p, though they closed a penny higher yesterday at 375p.

Share prices in other dairy and animal feed companies have also been under pressure amid fears of a mass slaughter of dairy cows and a consumer backlash against beef.

Dalgety is the latest in the industry to warn of the impact of the beef crisis. Last month sausage casing manufacturer



Back on the attack: Douglas Hogg has launched a new initiative for the British beef industry

## Plan to Ginger up ICA

ROGER TRAPP

The Institute of Chartered Accountants today faces a challenge to the way it runs itself from a group campaigning to make it more democratic.

The Ginger Group, led by accountancy college chief Jeff Wooler, wants the institute's president and other officers to be elected by all 109,000 members of the body rather than just the 70 members of the council, as at present.

Mr Wooler's motion to today's annual meeting is unlikely to prevent deputy president Brian Currie being confirmed as the next president of the institute. But the move marks the latest stage in a campaign to make the professional bodies more open.

Earlier this year, the Chartered Association of Certified Accountants saw off a similar challenge from a group of reformers led by accountancy academic Prem Sikka, while the Law Society - having avoided contested elections for many years - faces its second consecutive acrimonious poll later this year.

Mr Wooler says his group was galvanised by last year's attempt by the institute's leadership to push through a merger with the Chartered Institute of Management Accountants.

The Lloyd's Names Association Working Party said: "Many names would not have believed so much could be achieved, especially when they were told recently that the well was dry."

**• Brazil could be on the verge of a Mexican-style crisis, a respected US economist and former adviser to President Bill Clinton warned yesterday. The warning shook the financial markets as Rudiger Dornbusch, an economics professor at the Massachusetts Institute of Technology, warned about the end-1994 Mexican crisis months in advance. Professor Dornbusch said Brazil should not be keeping interest rates at more than 20 percent to keep its currency artificially high. Although the policy has slowed inflation to about 20 percent from 2,500 per cent in 1993, there was a risk of a currency collapse. Instead, the Brazilian government should slash its deficit. Bailing out Mexico cost the international community \$50bn (£32bn). The dollar fell briefly yesterday in reaction to Professor Dornbusch's remarks.**

**• The leading indicator for the US economy rose in April and was revised up for March. The 0.3 per cent increase was bigger than expected, and the third successive rise. Separate figures showed a surprise 1.4 per cent jump in construction spending in April. However, manufacturing activity in the US dipped in May according to the National Association of Purchasing Management. Its activity index dipped 4.9 from 50.1 in April, although it remained above its average for the previous six months. Output increased but orders and employment declined in the month.**

**• Whitbread has asked David Lloyd to clarify his position following weekend press reports that he was seeking to regain management control of David Lloyd Leisure, the tennis and fitness club business he sold last year for £200m to the brewing and food retailing group, Mr Lloyd, according to the reports, is unhappy about not having day-to-day control of the leisure business following the appointment by Whitbread of a three-man management team, headed by Steve Philpot. A spokesman for Mr Lloyd said he hoped to have a meeting as soon as possible with Peter Jarvis, chief executive of Whitbread.**

**• Unigate Group is selling the Black-eyed pea part of its US restaurant business to DenAmerica for £42m cash. The sale of the 100 restaurants, however, will result in an exceptional loss of £59.5m, which includes a £3.2m of goodwill previously written off.**

**• Racal Electronics has been awarded a landmark telecommunications contract by HM Prison Service Agency worth in excess of £9m over the next seven years. This is the first IT contract to be awarded by the Prison Service under the Private Finance Initiative (PFI) programme, and the order includes the installation of telecommunications equipment and the management of voice services in up to 20 prisons in England and Wales.**

**• Small firms are more likely to grow fast if their owners are young, have professional qualifications, own several different businesses or work with others to run their businesses, while formal market research is the most successful management strategy, according to a study published today by the Northern Ireland Economic Research Centre. The best firms grew more by 100 per cent over a four-year period to 1990, with the best performance coming from firms in Northern Ireland and Wearside.**

## Lloyd's wants multi-million top-up for names

PETER RODGERS  
Financial Editor

The Lloyd's insurance market said yesterday that it expected to top up its £3.1bn rescue package with special help for the hardest-hit names.

Lloyd's agents are in negotiations to increase the £200m fund they have pledged to the rescue fund by tens of millions. The ex-

perts, net of tax. But Lloyd's poured cold water on reports that the agents are to contribute an extra £100m to the rescue, saying this figure was "highly speculative."

Lloyd's said it recognised that those in special difficulty including the aged would need continuing support. It was in "active discussions" with the agents about increasing the

£200m but no figure would be given until the discussions were concluded.

Tom Benyon, director of the Society of Names said: "I am glad that now the promise made to me at Lloyd's AGM on 24 May 1994 by Peter Middleton, then Lloyd's chief executive, that busted names' income would be protected is at last being fulfilled."

He added: "This move is final proof that names were right to reject the last settlement offer. A period of silence is now called for from all those who recommended acceptance."

The Lloyd's Names Association Working Party said: "Many names would not have believed so much could be achieved, especially when they were told recently that the well was dry."

## 2 FOR 1 ODEON CINEMA TICKET OFFER WITH THE INDEPENDENT

To celebrate 100 years of British cinema we have linked up with Odeon Cinemas to offer all readers two tickets for the price of one at participating Odeon Cinemas throughout the UK. Among the films showing next week are *Primal Fear*, *From Dusk Till Dawn*, *Mr Holland's Opus*, *Muppet Treasure Island*, *Spy Hard*, *The Birdcage*, *Copycat*, *Things to Do in Denver When You're Dead*, *Toy Story*, *Executive Decision* and more.

**How to Qualify**  
The offer is valid from yesterday to Thursday 13 June 1996. Simply collect three differently numbered tokens from the twelve we will be printing in The Independent and the Independent on Sunday. Token 4 is printed today; Token 5 will be printed in The Independent tomorrow. Attach them to the voucher which was printed yesterday and again on Thursday 6, Sunday 9 and Wednesday 12 June. Then take the voucher to a participating Odeon Cinema to qualify for your free cinema ticket when you purchase

WD-40, a.k.a. Steele - Dick Steele in a comedy of high-voltage adventure, high-tech gadgetry and lowbrow humour. In *Toy Story* (certificate PG), six-year-old Andy's toys have a life of their own when left alone. Led by Andy's favourite toy Woody, the fearless pull-string cowboy doll, the toys live a quiet life of dedication to their master. All this is thrown into jeopardy on Andy's birthday, the most dreaded day in the life of a toy, when the fear of being replaced by another toy can become a reality.

*Primal Fear* (certificate 18), stars Richard Gere as the arrogant and successful criminal defence attorney Martin Vail. He loves a good fight and the media spotlight, both of which he knowingly invites when he volunteers to represent a young man accused of murder. The victim is one of Chicago's most prominent dignitaries, and the defendant's guilt seems as evident as the blood found splattered on his clothes.

In *Muppet Treasure Island* (certificate U), the Muppets are back and ready to cast off and set sail on their zaniest adventure ever, as they encounter pirates, buried treasure and some angry warthogs. In *Walt Disney Pictures' all-new, live-action musical feature*, *Spy Hard* (certificate PG), stars Leslie Nielsen as Agent

another. To find out where your local Odeon Cinema is simply call Talking Pages on 0800 600900.

Copycat (certificate 18), starring Sigourney Weaver and Holly Hunter, is a classic suspense thriller about a race against time to find and stop an obsessed serial killer on the loose in San Francisco. From *Dusk Till Dawn* (certificate 18), tells the story of the notorious Gecko Brothers (George Clooney & Quentin Tarantino), two of America's most dangerous criminals, who are on the run from the Texas police and the FBI after a crime spree through the Southwest. Also starring are Harvey Keitel and Juliette Lewis.

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### Terms and Conditions

1. The 'free' ticket may only have a value equal to, or less than, the purchased ticket (i.e. the purchase of a child's ticket will not entitle an adult to free admission).
2. The voucher is only valid for admission to any film showing at Odeon Cinemas between 3 June - 13 June 1996.
3. The voucher is only valid when three differently numbered tokens are attached from The Independent or the Independent on Sunday.
4. This offer may not be used in conjunction with any other offer or discount.
5. Odeon standard terms and conditions of purchase apply.
6. The voucher may not be used for telephone bookings and does not give the holder preference over other customers.
7. Odeon Cinemas reserve the right to refuse admission.
8. This offer does not apply to the Odeon Leicester Square and Mezzanine, and the Odeon West End.
9. Photocopies of tokens are not acceptable.

THE INDEPENDENT  
**TOKEN**  
4  
ODEON CINEMAS



# business

## Stakis gambles on its machines

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

The stock market's renewed love affair with hotels in the wake of Granada's takeover of Forte should have done no harm to Stakis, the Glasgow-based leisure group. Indeed, after marking time for two years, the shares have outperformed the rest of the market by 29 per cent since the start of 1996, even after yesterday's 3p fall to 105p.

But paradoxically, that leap had more to do with the prospects for the group's casinos arm, which had a torrid 1995, rather than hotels whose sparkling performance helped to rescue last year's figures. Pre-tax profits just inch up ahead 4 per cent to £12m in the half-year to March, restrained by the gaming division. Stakis has been warning of problems there for some time, so while disappointing, the profits slide from £6.4m to £5.05m came as little surprise. After an exceptionally good end to 1994, the punters appear to have gone to sleep for most of 1995, distracted in part perhaps by National Lottery scratch cards. But the group also seems to have taken its eye off the ball a little, with a £2m hoist in branch costs taking a chunk out of profits.

Things have started to pick up since January, while Stakis has shown its determination to address the problems with Jim McCavill, managing director of casinos, being dropped on Friday. The real bonanza will come, however, if the gaming machine proposals in the Government's green paper on deregulating the industry show any sign of becoming law. That could see the current limit of six slot-machines per outlet becoming one or two per table. The result could be an uplift of as much as 50 per cent to the profits of the business or anything between £4m and £6m.

Meanwhile, hotels are tanking ahead, with profits jumping from £13m to £17m in the latest half year. On the back of the current buoyancy in the market, the group is enjoying the virtuous circle of more bedrooms, higher occupancy and an increase in average room rates. The sum of those parts raised the yield per room by 13 per cent to £32.61. At these levels, every extra point on the occupancy level, now 71 per cent, or pound on room rates pretty well falls through to the bottom line in the hotels division, which has the more prosperous second half to look forward to.

Stakis has achieved that rare feat of moving from recovery to growth without hiccup under chief executive David Michels. Despite the group's relative financial strength, he is moving with commendable caution in expanding the group, ruling out any acquisition of the Queens Moat assets currently up for sale. The expansion of the health clubs side through last month's £20m

LivingWell acquisition could prove an interesting higher growth area.

But a forward multiple of 17, based on profits of £5.1m this year, suggests the shares are up with events. Hold.

### Whitecroft falls on warning

Whitecroft, a mini-conglomerate spanning lighting, doors and medical cotton, has been revitalised since 1992 under the direction of new management led by chief executive Mike Derbyshire. After a classic kitchen sink job in 1993, when massive provisions sent the group to £41.8m loss, profits have recovered sharply. However, the market was keen to focus on what it saw yesterday as a profits warning than news of an 18 per cent rise in underlying profits to £8.08m in the year to March. (The reported figures were distorted by a £5.91m property-related profit last time.) The shares duly slid 1.2p to 213p.

The continuing deterioration in the

commercial construction market meant both the lighting and building products divisions were having to combat lower levels of activity and price deflation, the company warned. But Mr Derbyshire reckons the market has over-reacted. The company managed to shrug off the malaise to produce strong second-half figures, he said, and still ended the year with order books 20 per cent ahead.

Certainly the current year should be boosted by a full-year's contribution from Chalmers & Mitchell, acquired for £4.75m in November. The Glasgow-based company has given Whitecroft market leadership in so-called hazardous lighting – equipment used on oil rigs and in chemical plants, for instance – to add to its strong market positions elsewhere. The lighting division, the second biggest in the commercial market behind TLG, raised profits last year by 6.3 per cent to £6.21m last year.

The Leaderfish doors business, the other area affected by the construction market, also did well to lift profits by a tenth to £13.5m. But, given that in total between a fifth and a half

quarter of group profits are exposed to construction, the market is probably right to be a little cautious over short-term prospects. Further out, the £7.3m being spent on Edward Hall, which leads the European market in medical cotton fibre, should drive future growth and there may yet be recovery in the construction market.

With profit forecasts downgraded to around £3.5m, the shares stand at 20 per cent ahead.

Azlan offers a high-tech lesson

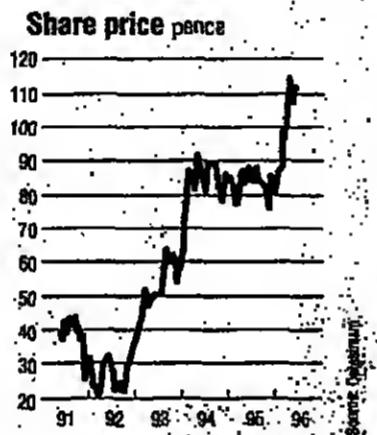
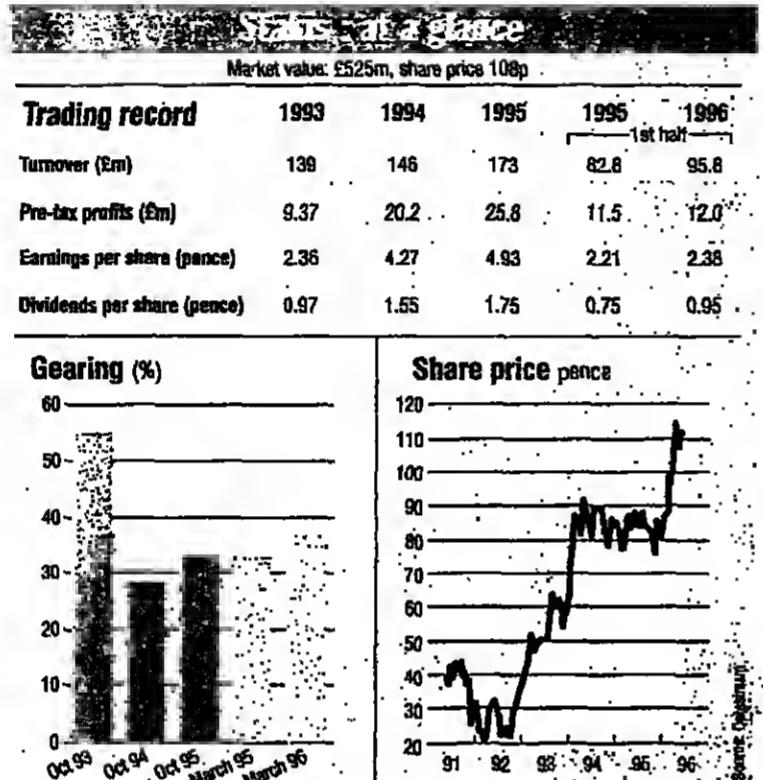
In its short life on the stock market, Azlan, a computer networking products distributor, has provided an A-Z of the risks and rewards of investing in hi-tech companies. Floated at 230p on a fancy multiple two-and-a-half years ago, the shares soon slid to a low of 118p after a profits warning led to David Randall, then managing director, being relieved of all executive duties. Into his shoes stepped Christia Martin, the former finance director. A focus on fewer suppliers, further expansion into Europe and a series of distribution deals with industry powerhouses such as IBM and Netscape have transformed Azlan's fortunes.

Yesterday, the shares jumped 26p to a new high of 665p after the group posted a 169 per cent rise in pre-tax profits to £10.5m on sales more than doubled to £196.5m. Stripping out first-time contributions from Italian, Dutch and Scandinavian acquisitions bought during the year, underlying turnover growth was still 90 per cent, while like-for-like profits grew by 145 per cent.

Technological change, not least the Internet, is driving this phenomenal expansion. Networking – enabling corporate computer users to operate more effectively – is the fastest growing information technology market after personal computers. According to analysts Dataquest, the market in Europe alone is expected to grow from \$6.5bn to \$8.6bn within two years. Azlan benefits because the market is so fragmented – a manufacturer alone cannot get a new product out to the tens of thousands of potential customers and dealers within its six to nine month shelf life.

Further progress is likely if Azlan can keep a tight hold on inventories, hold gross margins near the current 24 per cent and avoid fouling up on the Continent. House brokers SBC Warburg looks for pre-tax profits of £15.5m, implying a p/e in the high teens. The premium rating is deserved.

Stakis chief executive David



## Scholl rebels hail new appointment

MAGNUS GRIMOND

Julian Treger said: "We are just very happy that after a month of prevarication the board of Scholl has bowed to the wishes of a majority of shareholders. We believe this is a victory for shareholder pressure in the UK and are very pleased that someone of [Mr Wallis's] calibre is coming on board."

Mr Wallis said he had been approached by the rebel group six to eight weeks ago, but had very little contact with them since. He had made clear he would not take up the job without agreement to two conditions. "Firstly, unless it was understood that I wouldn't favour them above any others and secondly that a majority of the company's shareholders had to be quite clear that wanted me. It rapidly became quite clear that that was the case."

He refused to elaborate on any plans for the business before embarking on a world tour of the operations over the next four the six weeks in the company said it was in discussions that could lead to it acquiring a controlling stake in Leeds United. Caspian is owned by leading investment groups including Schroders, Mercury Asset Management, London and Manchester, and Guardian Royal Exchange.

Chris Atkins, the former Swiss Bank corporate financier and Caspian chairman, was understood to be in Leeds yesterday to finalise the terms of a deal that would see the group pay £10m for a 65 per cent stake in the club owned by Bill Fotheringham, Leeds chairman, and Eric Silver, his predecessor.

Caspian is also said to be keen to take on the club's £10m debt. It would fund the deal through a placing of shares with institutions.

Buying Leeds United would more than double the size of Caspian and represent the first step in transforming it from a television production and animation company into a large sports and leisure group.

News of the takeover approach for Leeds came as shares in Manchester United and Tottenham Hotspur hit

## Caspian bid for Leeds Utd underlines City love affair

PATRICK TOOHER

The City's growing love affair with top football clubs was underlined yesterday when a media company backed by several leading investors said it was in talks to buy Leeds United, and shares in two other leading Premiership sides soared on the prospect of greatly enhanced revenues from digital television.

Shares in Caspian Group were suspended after the company said it was in discussions that could lead to it acquiring a controlling stake in Leeds United. Caspian is owned by leading investment groups including Schroders, Mercury Asset Management, London and Manchester, and Guardian Royal Exchange.

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News of the takeover approach for Leeds came as shares in Manchester United and Tottenham Hotspur hit



Blinders line up: Elland Road stadium, Leeds United's home ground

record highs after a report in Saturday's *Independent* said the Premier League's 20 clubs could share in a pay-per-view television bonanza worth up to £2.5bn a season. Shares in Manchester United climbed 35p to 40p, while Tottenham Hotspur soared 51p to 429p.

The confidential report from polling firm Harris has encouraged top teams to hold out for a far more lucrative deal when the broadcast rights to live Premier League football matches from 1997 are discussed at a key meeting of club

chairmen in Coventry later this week. The current contract is held by BSkyB.

Based on a sample of 4,000 viewers from around the country, Harris found that League and FA Cup winners Manchester United could earn up to £3.82m a season if all matches were transmitted at various times of the day at £10 a time. Next would come Liverpool and Arsenal, who would receive £3.39m and £1.90m respectively, followed by Leeds (£1.62m) and Tottenham (£1.12m).

These figures dwarf the £50m

the League as a whole received from all television deals last season and are fuelling renewed interest in football clubs as serious investments.

Two other potential bidders have already emerged for Leeds: Paul Sykes, a local businessman, and Barry Rubery, co-owner of Pace, the satellite decoder machine company about to be listed on the stock market. Both are regulars at Leeds' Elland Road ground.

QPR, relegated from the Premier League last season, is also up for sale.

**Tunnel shares break through £1 level**

PETER RODGERS

Euromunnel shares went back through 100p yesterday for the first time since September, when the company suspended payment of interest on more than £80m of debt.

The shares closed 11.5p higher at 105.5p, after rumours that the planned debt for equity conversion would be less harsh towards shareholders than first feared.

The move came after a formal confirmation by Euromunnel that Sir Alastair Morton, the co-chairman, is not standing

down at the annual meeting but will continue in office until the debt question is resolved.

There had been pressure from some banks, including NatWest, to force Sir Alastair out at the annual meeting.

Reflecting the fact that 75 per cent of Euromunnel's shareholders are now French, Patrick Ponsolle, Sir Alastair's French opposite number, will become the sole executive co-chairman after Sir Alastair retires.

Euromunnel is to appoint another British co-chairman to replace Sir Alastair when he does leave, but he will be a part-time

non-executive. The announcement made clear that Sir Alastair was staying on for the time being at the request of the Euromunnel board.

Two directors, Graham Corbett, the British finance director, and Bertrand Thibon, are to retire at the AGM.

Additional factors cited for the rise in the share price, which has been steadily recovering since its low of 65p on April, included Euromunnel's initiative in renewing the price war last week against ferry operators and comments by Mr Ponsolle that it was not

unrealistic to expect an agreement with the banks in time for the annual meeting on 27 June.

A company spokeswoman in Paris said: "Today there is no more news than yesterday. We are looking at the rise and we say to each other that there is no real explanation for it. When we say that a deal is not unrealistic, that doesn't say that there is necessarily going to be a deal before June 27."

A stock market trader said:

"There are a lot of buying orders from Japanese institutions on rumours about a debt re-structuring."

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# market report/shares

DATA BANK	
FTSE 100	3,739.2 - 8.6
FTSE 250	4,505.5 - 4.5
FTSE 350	1,896.5 - 3.8
SEAOQ VOLUME	644.9m shares
36,130 bargains	
Gilt's Index	92.02 - 0.05
SHARE SPOTLIGHT	
MJ JASON JEFMAN	200 205 210 215 220 225 230 235 240 245 250 255 260 265 270 275 280 285 290 295 300

## Expectation builds of three big ones in the pipeline

The story running in the stock market is that three big takeover bids are being prepared and at least one will materialise in the next few weeks.

It has so far been a disappointing year for corporate action. There had been hopes of extensive activity before the looming election started to unsettle sentiment. But with the notable exception of utilities, the expected rush has barely been a trickle and even utilities have threatened more than they have delivered.

With shares drifting aimlessly and investors displaying little enthusiasm it is not surprising that the market is still clinging hopefully to thoughts of heady takeover action.

The cynic will say bid talk is merely an attempt to drum up business and the events of last year, when takeover records were established, have left the market with an ideas vacuum.

The three bids are said to be

in banking, engineering and food.

The two Scottish banks and Standard Chartered are regarded as the most likely banking victims.

Royal Bank of Scotland has for long been seen as predatory fodder and Bank of Scotland, with the Standard Life insurance giant looking to sell its 32.3 per cent stake, is clearly vulnerable.

Standard Chartered, the third name in the banking chain, enjoyed a famous escape 10 years ago when what is now Lloyds TSB launched a hostile bid. Its modest progress yesterday was due to analytical support from NatWest Securities, which moved its profit forecast by £20m to £220m.

The shares responded with a 4p gain to 464p, near their 12 month high.

Favourite to collect the food bid is Cadbury Schweppes, the soft drink to sweet group.



### MARKET REPORT

#### DEREK PAIN

Stock market reporter of the year

With a £4.9bn valuation there are not many suitable candidates. Unilever and a few US groups seems to be the most likely. The shares, off 2p at 481p, have fallen from a 561p high.

Lucas Industries, merging with Vary of the US, is the engineer in the lime-light. There is a feeling the Vary deal will flush out a bidder, with an array of engineering names seen as possible players. The shares fell 4p to 241p.

The market ended a lack-luster session with the FTSE 100 index off 8.6 points at 3,739.2. BT, up 13p at 368.5p, was goal-scoring form on the more tolerable pricing demands from its regulator

was responsible for a near 5 points plus which was wiped out by the 5.4 points represented by dividend payments.

Ladbrokes, a perennial bid victim which continues to encourage heavy trading, rose 2.5p to 192p.

It was not all happy dialling for BT with Otel probing mobile telephones and increasing talk of harmful side effects from the hand-held instruments. Securicor fell 67p to 2,098p and Vodafone 5.5p to 250p.

Newspapers felt the impact of the latest moves in the price war, with Mirror Group off 4p to 215p and United News & Media 12p at 731p.

The regulatory blast at Yorkshire Water at one time sank the shares 7p; they closed just 1p off at 729p. Wesser put on 10p to 368p on talk of a US bid.

Barclays rose 7p to 758p fol-

owing suggestions that the arrival of Bill Harrison could hasten the flotation of its investment arm. Whitbread dipped 5p to 724p, ruffled by the uncertainty surrounding David Lloyd, who runs the leisure centres.

Eurotunnel jumped 11.5p to 105.5p on hopes of refinancing progress and Camas, a building materials group, added 2.5p to 88.5p following a US visit by analysts.

Scottish Pride, a milk group, flowed 13p to 61p on takeover talks with Robert Wiseman, unchanged at 183p.

Seutia, the drugs business, rose 34p to 729p as Lehman Brothers made confident noises and Microvitec edged ahead 3.5p to 71p. The shares are firm on hopes of big orders for its flat screen equipment.

Carsbrook Shipping, with a 14-strong fleet, docked on AIM, achieving 108p against a 90p placing.

### TAKING STOCK

Deby continues to search for acquisitions following the sale of its packaging business. With £2m burning a hole in its corporate pocket it is building on its property operations which, with a half share in a Scottish house-builder, represent most of its trading activities. If no doubt feels a need to extend its trading operations to make its share quote is preserved. The price fell 7p to 74p; it was 103p in December when the packaging business was sold.

The musical chairs continue at Courtyard Leisure, a small wine bar chain. Rodger Sutherland, a former stockbroker, and Richard Capper have acquired 29.9 per cent and taken management control. They run the Drum and Monkey bar and bistro chain. The shares rose 2p to 11p.

Category	Stock	Price	Change	Yield (%)	PE Ratio	Market Value (£m)
Alcoholic Beverages	ABF	1,000	-10	2.5	12.5	1,000
Banks, Merchant	ABN AMRO	1,000	+10	2.5	12.5	1,000
Banks, Retail	ANZ	1,000	+10	2.5	12.5	1,000
Breweries, Pubs & Restaurants	ASB	1,000	+10	2.5	12.5	1,000
Diversified Industrials	AVL	1,000	+10	2.5	12.5	1,000
Extractive Industries	AVX	1,000	+10	2.5	12.5	1,000
Engineering Vehicles	BAE	1,000	+10	2.5	12.5	1,000
Food Manufacturers	BBG	1,000	+10	2.5	12.5	1,000
Electronics	BT	1,000	+10	2.5	12.5	1,000
Building/Construction	CBRE	1,000	+10	2.5	12.5	1,000
Materials	CDR	1,000	+10	2.5	12.5	1,000
Engineering	CEG	1,000	+10	2.5	12.5	1,000
Chemicals	CHIEF	1,000	+10	2.5	12.5	1,000
Distributors	CLPL	1,000	+10	2.5	12.5	1,000
Building Materials	CMG	1,000	+10	2.5	12.5	1,000
Household Goods	COH	1,000	+10	2.5	12.5	1,000
Insurance	COFCO	1,000	+10	2.5	12.5	1,000
Index-linked	COL	1,000	+10	2.5	12.5	1,000
Undated	CONTR	1,000	+10	2.5	12.5	1,000
Shorts	CONT	1,000	+10	2.5	12.5	1,000
Mediums	CONT	1,000	+10	2.5	12.5	1,000
Longs	CONT	1,000	+10	2.5	12.5	1,000
Government Securities	CONT	1,000	+10	2.5	12.5	1,000

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Category	Stock	Price	Change	Yield (%)	PE Ratio	Market Value (£m)
Oil, Integrated	ENI	1,000	+10	2.5	12.5	1,000
Other Financial	ENR	1,000	+10	2.5	12.5	1,000
Exploration	ENR	1,000	+10	2.5	12.5	1,000
Telecommunications	EWX	1,000	+10	2.5	12.5	1,000
Textiles & Apparel	EXA	1,000	+10	2.5	12.5	1,000
Retailers, Food	EXB	1,000	+10	2.5	12.5	1,000
Retailers, General	EXC	1,000	+10	2.5	12.5	1,000
Transport	EXD	1,000	+10	2.5	12.5	1,000
Water	EXE	1,000	+10	2.5	12.5	1,000
Support Services	EXF	1,000	+10	2.5	12.5	1,000
Rights Issues	EXG	1,000	+10	2.5	12.5	1,000
Recent Issues	EXH	1,000	+10	2.5	12.5	1,000

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on pages 21-22  
section two

every Tuesday in  
INDEPENDENCE  
section two

# business

## More than fashion is driving the surge in sterling

**T**rust what investors do, not what they say. In the last few days there has been a marked upsurge in the pound.

For example, against the US dollar it has risen from around the \$1.50 level to nudge towards \$1.55. While that may not seem enough perhaps to make holidays in America seem much cheaper, it is enough to require some sort of explanation – particularly when you note that this is not a dollar-related phenomenon, but a rise across the board.

In fact, if you take the trade-weighted index, sterling is at its highest for more than a year.

After languishing in the 82-83 region throughout the winter, it has suddenly shot up to above 86 (see left-hand graph).

So what is the explanation, and what are the further implications, if any, that follow from that?

The shift is very recent, so any explanation is going to be a rough-and-ready one, but it is evident and secure enough for there to be something more than pure fashion as a driving force, though fashion, as argued below, has played a part. It is perhaps most helpful to divide the drivers into three parts: economics, finance, and politics.

Economics first. The main short-term impetus from economic factors usually comes through the impact of growth on interest rate differentials: higher-than-expected growth leading to higher-than-expected short-term interest rates, which make the currency a more attractive place to park spare cash.

There is too much of a shift of perception here, but there may be some marginal impact from recent



ECONOMIC VIEW

### HAMISH MCRAE

data. Last week the OECD revised down its UK growth forecast, but that reflects the flow of information in the first three months of the year rather than the most up-to-date data. Since March it has become more clear that the UK recovery will be sustained through this year by the consumer, something not yet evident in Germany or France.

Mocay supply, consumer lending, house prices and so on all support the idea that there will be a UK mini-boom through the autumn, which should be pushing up base rates by the spring, if not before. By contrast, the first rise in German interest rates could be 18 months off.

This is not a strong signal of growth, and it is based on an intu-

ition reading of the figures rather than a conventional number-crunching one.

Number-crunchers are still impressed by the lack of growth in manufacturing. But for anyone who wanted to buy sterling anyway, the economic data would give some additional comfort.

Switch to financial factors. One of the principal reasons why potential investors might want to look

try into the global market is much more important than the choice of the individual market.

Nevertheless, within Europe there has been a shift of sentiment in recent months towards the "high-yielders", the bond markets of the softer European currencies, on the grounds that if there is not much currency risk, why accept a yield of, say, 7 per cent, when you can get one of 9 per cent.

This has benefited the assets of countries on the periphery of Europe: Nordic bonds, and Italian and Spanish ones. In the last few days there has been some feeling that UK bonds, which fall somewhat between these high-yielders and the core bonds of Germany and France, have been neglected.

Some of sterling's strength may be a reflection this change in the fashion of financial markets, and of course the more the pound does strengthen, the greater the return on sterling-assets for an overseas investor.

But to say there has been a shift of fashion in financial markets begs the question of why this should be. Here perhaps the best answer lies in politics, and in particular a reappraisal of what might happen to UK markets under a change of government.

The standard perception in the UK is that, on balance, interest rates and inflation would be slightly higher under a Labour government than a Tory one.

It would follow that a change of government would be bad for sterling and bad for gilts. In the UK this view may still hold, but abroad perceptions may be different.

The bull case for a Labour government would have several elements. One would be that, by European standards, a Labour government would be more "normal" than the present Tory one.

One does not need to make a judgement on the wisdom of the present government management of its relations with Europe to note that it is behaving in an unusual way. A Labour government would be easier to understand.

Both have swung about, but the gap between the two has remained more or less constant. Timing of en-

trance into the market is much more important than the choice of the individual market.

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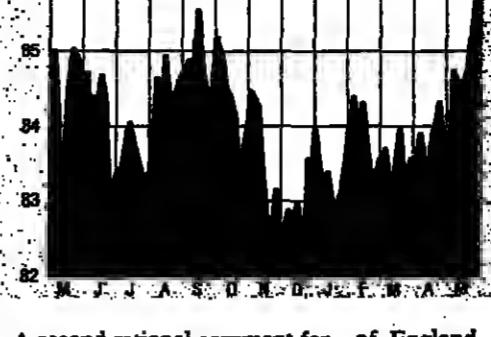
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Sterling recovers  
sterling trade weighted index



Source: Datastream

Gilt track bnd's  
yield history - 10 year bonds









**Ken Jones** looks at the history of the European Championships

## FA shields the culprits over plane incident

The Football Association yesterday brought the full weight of its stammering bureaucracy to bear on the case of flight CX251 and the broken televisions. After a week's delay, and a day's investigation, they cracked down softly on no one in particular.

The England team, it was announced, had taken "collective responsibility" for the alleged £5,000 of damage done to Cathay Pacific furniture. Fines have been imposed. Thus the likes of Peter Beardsley, Nick Barnaby, the Neville brothers and many others, have been tarnished by association for vandalism which, almost certainly, was committed by someone else.

It is an unsatisfactory solution – but a very English one. Rather like Form B being given a class detention because no-one will "speak" on the kid who defaced a desk and the culprit will not own up.

It was also an inevitable verdict. To suspend a player, on the brink of the country's biggest tournament for 30 years, was never going to happen. However, fines are, in reality, meaningless: the bulk of these players earn more than £5,000 a week. It may be that the guilty, if discovered, will be subtly punished at a later date. It does happen – one player's arrival into the senior squad is believed to have been delayed because of vandalism to a hotel room during an under-21 tour.

This may have been what Steve Double, of the FA's press office, meant when he said: "There are no plans for further action from the FA until after Euro 96, at the very least." Or maybe it was not, this inconclusive statement typified the FA's dithering – by taking a week to act they have exacerbated an incident which would not have happened if they had kept a closer rein on the players in the first place.

All this assumes the FA, or Venables, know or ever discover who did it. Given the possible penalties – Graham Kelly,

### Derby sign Laursen

Derby County yesterday made their second foreign signing of the close season, the Danish full-back Jacob Laursen. The £500,000 deal takes the club's spending to £1.5m after the arrival of the Croatian Aljosa Asanovic last week. Jim Smith, the Derby manager, had been chasing Laursen, who was playing for Silkeborg in Denmark, for two months.

Leeds take-over, page 18

**VENABLES' STATEMENT**

"I spent several hours both last night and today talking to the players about allegations made in connection with last week's flight from Hong Kong to London."

"Three of the players were very angry that they have taken the blame publicly and without justification, they believe, for the reported damage on the aeroplane. They told me they were seeking legal advice for compensation for harm to their reputations."

"Most of them appear to be totally unaware of any problems on the flight until they reached their homes several hours after arriving at Heathrow. Indeed, it was more than nine hours before the Football Association was contacted by Cathay Pacific, despite their knowledge of the problem several hours earlier."

"But today the England squad have accepted collective responsibility for what happened. The matter is now being dealt with internally – financial penalties will be imposed."

"The players express their sincere regret for the incident. Complaints about senior England players have been very rare over many years. The recent visit to Hong Kong and to China resulted in letters of praise from the hotels where the players stayed and invitations to return again."

"This afternoon, I met Graham Kelly, the FA chief executive, and Noel White, the chairman of the FA's international committee, at the team hotel. It was a pre-arranged meeting to discuss several matters; I reported on talks with the players over the past 24 hours and on the type of action I intend to take."

the chief executive, had promised firm action – no one is likely to have owned up. Neither, given the dressing-room code of ethics, is anyone likely to have "grussed".

With a week to go to the start of the championships it is hard to imagine Venables, perhaps with Ted Buxton, playing the soft cop hard cop routine and interrogating each player individually.

Instead everyone is, however slightly, tainted. The three players linked by newspapers with the damage, Paul Gascoigne, Robbie Fowler and Steve McManaman, are obviously more tainted than most and McManaman last night acted to clear his name.

His representatives faxed a message to this newspaper, and presumably others, it was marked with a hand-written "urgent" on it. In it he referred to the allegations as being "completely untrue" adding "the Football Association have

acknowledged that I played no part in the incident."

His concern highlights the potential seriousness of the affair. Reputations, once gained, are hard to shake off. Venables made the valid point that complaints about England players have been rare but that only emphasises the damaged done by this one.

It was not the way England would have liked to begin their preparations at Bisham Abbey yesterday – preparations which were set out yesterday by Gary Neville and Steve Howey with a thigh strain and minor blood poisoning problem respectively.

Eric Hall, a football agent, said of the announcement: "I'm amazed. The responsibility for the behaviour of two or three people is being taken by the whole squad. They are all under the microscope."

The culprits involved should stand up. The [David] Platt's of this world don't want this on their CV's. I find it amazing everyone is being blamed. On the other hand it's the power and the glory, it's team spirit. The team wins together and goes through the bad times together."

Hall went on to say that, as far as he was aware, the punishment only applied to the players, including his client Dennis Wise, who missed out on selection.

"The culprits should be reprimanded – and publicly," he said. "As for Cathay Pacific, they have had unbelievable publicity from this and they should pay the players involved."



Wide-open Open: Michael Stich celebrates his victory over the defending champion, Thomas Muster, at Roland Garros yesterday. Photograph: Reuter

## Muster left beaten but unbowed

### Tennis

JOHN ROBERTS  
reports from Paris

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Conversely, Stich's advance to the quarter-finals says much for the value of taking a break from

the tour, albeit one enforced by injury. Before arriving in Paris, the No 15 seed had only played two matches since March, following surgery to his left ankle.

His main reason for competing here was to improve his match fitness for Wimbledon, where he was the champion in 1991.

"After Rome," Stich said, "I sat down with my coach [Sven Groeneveld] and said: 'I don't know if I should go to France and look like an idiot playing on the clay'. He said: 'Listen, just go there and use it as practice, a couple of matches maybe, and get ready for the grass-court tournaments'."

By eliminating the favourite, Stich has opened the tournament even wider and added an extra bounce to the steps of predominantly attacking players such as himself, Pete Sampras and Richard Krajicek.

Goran Ivanisevic and Stefan Edberg will not be around to

participate in the excitement. Instead of progressing to meet in the last eight, both were eliminated in straight sets.

The fifth-seeded Ivanisevic was hampered by a blister on his left foot and also by the steady play of his German opponent, Bernd Korbacher, ranked No 56 in the world. Korbacher won 6-3, 6-1, 6-2.

Edberg, who brought such pleasure to his last visit to the championships, was unable to extend his campaign beyond the fourth round, 4-6, 6-4, 6-7, 7-6, his record of clay courts remains a testimony to fitness and dedication. Going into yesterday's contest, Muster had lost only three of his previous 102 matches on the surface.

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## Cup goes back to Belfry

### Golf

TIM GLOVER

The Ryder Cup match between Europe and the United States in 2001 will be held at The Belfry in Sutton Coldfield, it was announced yesterday. It will be the fourth time in five home matches that the Brabazon course has hosted an event that has become one of the most absorbing – and lucrative – in sport.

In a pre-emptive strike that will dismay other clubs who had

ambitions of staging the match, the cup committee voted unanimously for The Belfry. Twenty-four clubs throughout Europe had expressed an interest and that was narrowed down to six, although it was effectively a one-horse race. Europe won at The Belfry in 1985, igniting interest in a competition that had been dominated by the Americans: they retained the cup with a tie at the same

venue in 1989 and lost it there three years ago, 15-13.

The decision to hold the match at The Belfry in 1993 was reached after a furious argument between the European Tour and the PGA. The three Tour representatives on the committee voted for Club de Campo in Madrid and the three PGA men went for The Belfry. The stalemate was resolved by the casting vote of Lord Derby, the committee chairman and PGA president.

The Belfry is by no means the finest course in Britain, let alone Europe, but it became the natural choice for 2001 on the grounds that the PGA, which has its headquarters there, celebrated its centenary that year. That was the key. Ireland, which had never hosted the match, will have to wait until 2005 at the earliest to throw its hat into the ring.

There was also controversy

over the selection of Valderrama in southern Spain for the

next match, in September 1997. Seven clubs vied for the honour and Seve Ballesteros campaigned for a public course in Spain. Valderrama is one of the most exclusive clubs in the world," Ballesteros said. "I think it would be fatal for golf in Spain to send the cup to a private club." Since then, of course, Ballesteros has agreed to captain the team in Valderrama.

"No one can deny that The Belfry has staged three very successful matches," Sandy Jones, executive director of the PGA, said. "With the proposed development and refurbishment of the Brabazon course coupled with our centenary in 2001, we believe The Belfry is an ideal venue."

He said that "stringent demands" had been made on De Vere Hotels, owners of The Belfry, to improve the course. Last Saturday, Prince Andrew opened a £5m National Training Academy at the Midlands complex.

For once, the captain under fire going into a Test series does not wear an England sweater.

While Michael Atherton bats in the glow of success after the Texaco Trophy Series, his word has reached Mohammad Azharuddin's ears that his popularity at home in the wake of the Navjot Sidhu affair is not exactly soaring.

In Amritsar, effigies of the Indian leader have been burned in the streets. Even Atherton has yet to be treated to that one.

As India's preparation for Edgbaston ended in a watery abandonment at Leicester yesterday, Azharuddin chose the

moment to state his position in the wake of the "unnecessary controversy" caused by Sidhu's decision to return home after being dropped from the third Test team. He denied a story in circulation that he had laughed at the 37-year-old opener, a veteran of 36 tests, causing him to be humiliated in front of his team-mates. In turn, he criticised Sidhu for announcing his retirement in bad grace.

He said his decision to drop Sidhu had been taken "on cricketing grounds by all four members of the selection committee".

"Sidhu was informed prior to the game that he was being dropped," he added. This was in response to a suggestion that Sidhu was unaware of his omission.

Azharuddin dismissed the

reaction at home as scarcely more of a hindrance than the mild attack of tennis elbow that persuaded him to leave the field after an 82-ball 72 at Leicester yesterday, when rain reduced the last day to one session.

Yorkshire collapse, Scoreboard, page 23

## Azharuddin calms Sidhu storm

### Cricket

JON CULLEY

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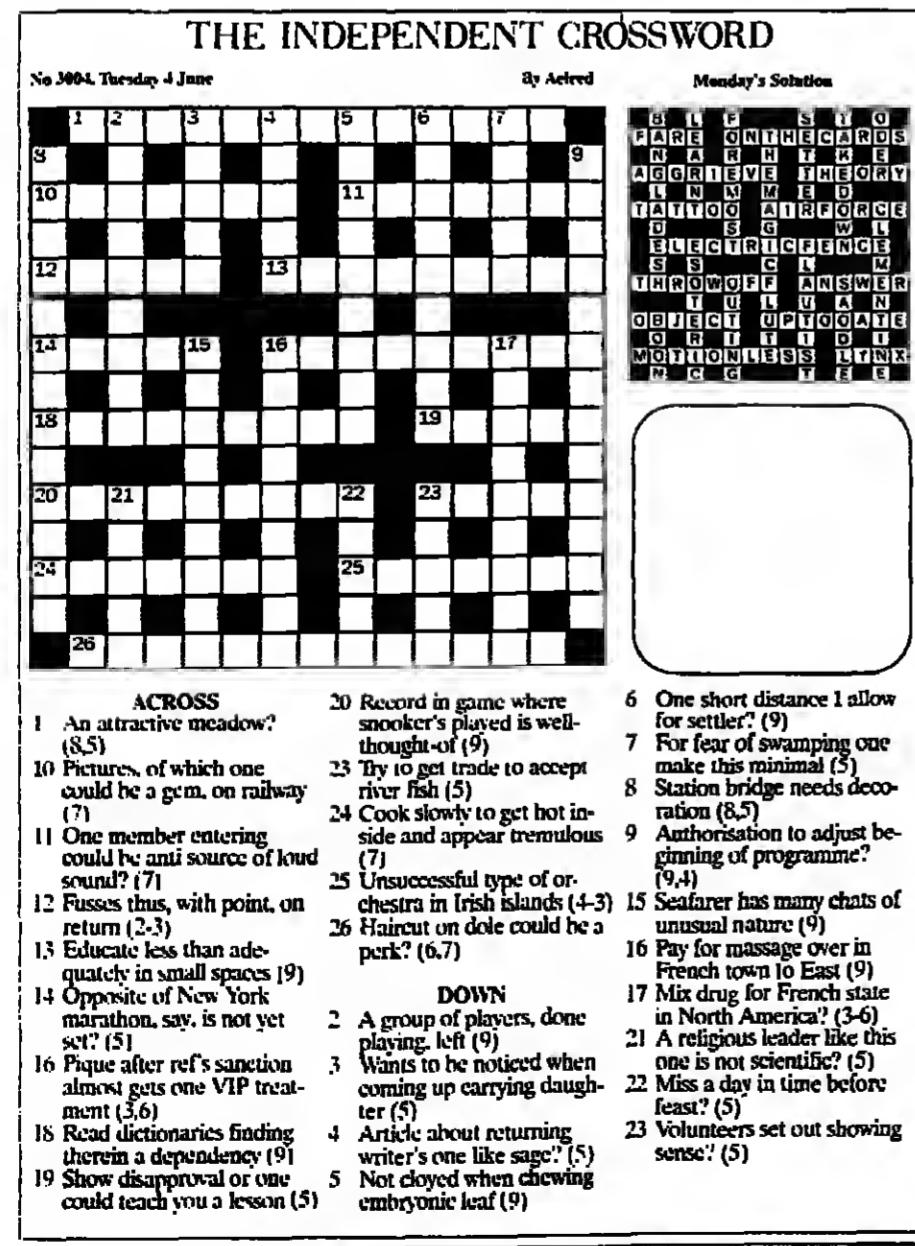
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